

By

5 J.R. No. 34

A JOINT RESOLUTION

proposing a constitutional amendment relating to bonds issued to augment the Veterans' Land Fund and the Veterans' Housing Assistance Fund and to create and fund the Veterans' Housing Assistance Fund II.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Article III of the Texas Constitution is amended by adding a new section 49-b-2, to read as follows:

§ 49-b-2. Bonds issued to augment Veterans' Land Fund and Veterans' Housing Assistance Fund and for Veterans' Housing Assistance Fund II; appropriation when money in any Fund not available

Sec. 49-b-2. (a) In addition to the general obligation bonds authorized to be issued and to be sold by the Veterans' Land Board by sections 49-b and 49-b-1 of this article, the Veterans' Land Board may provide for, issue, and sell not to exceed \$750 million in general obligation bonds of the State of Texas at any time outstanding to provide financing to veterans of the state in recognition of their service to their state and the United States of America.

(b) For purposes of this section, "veteran" has the same meaning as provided for in section 49-b-1 of this article.

(c) Two hundred fifty million dollars of the general obligation bonds authorized to be outstanding by this section shall be used to augment the Veterans' Land Fund. Notwithstanding any

1 provision of section 49-b or 49-b-1 of this article to the
2 contrary, the Veterans' Land Fund shall be used by the Veterans'
3 Land Board in accordance with this section for the purpose of
4 purchasing lands situated in the State of Texas owned by the United
5 States government or any agency thereof, the State of Texas or any
6 subdivision or agency thereof, or any person, firm, or corporation.
7 Such lands heretofore or hereafter purchased and comprising a part
8 of the Veterans' Land Fund are hereby declared to be held for a
9 governmental purpose, although the individual purchasers thereof
10 shall be subject to taxation to the same extent and in the same
11 manner as are purchasers of lands dedicated to the Permanent Free
12 Public School Fund. The lands shall be sold to veterans in such
13 quantities, on such terms, at such prices, at such rate or rates
14 of interest (fixed, variable, floating or otherwise), and under
15 such rules and regulations as may be authorized by said Board. The
16 foregoing notwithstanding, any lands in the Veterans' Land Fund
17 which have been first offered for sale to veterans and which have
18 not been sold may be sold or resold to such purchasers, in such
19 quantities, and on such terms, and at such prices and rates of
20 interest, and under such rules and regulations as are now or may
21 hereafter be determined by said Board. The expenses of said Board
22 in connection with the issuance of the bonds and the purchase and
23 sale of the lands, may be paid from money in the Veterans' Land
24 Fund. The Veterans' Land Fund shall consist of any lands
25 heretofore or hereafter purchased by said Board and of the money
26 attributable to any bonds heretofore or hereafter issued and sold
27 by said Board for such fund, which money so attributable shall

1 include but shall not be limited to the proceeds from the issuance
2 and sale of such bonds; the money received from the sale or resale
3 of any lands, or rights therein, purchased from such proceeds; the
4 money received from the sale or resale of any lands, or rights
5 therein, purchased with other money attributable to such bonds; the
6 proceeds derived from the sale or other disposition of said Board's
7 interest in contracts for the sale or resale of any such lands, or
8 rights therein; the interest and penalties received from the sale
9 or resale of such lands, or rights therein; the bonuses, income,
10 rents, royalties, and any other pecuniary benefit received by said
11 Board from any such lands; sums received by way of indemnity or
12 forfeiture for the failure of any bidder for the purchase of any
13 such bonds to comply with his bid and accept and pay for such bonds
14 or for the failure of any bidder for the purchase of any lands
15 comprising a part of the Veterans' Land Fund to comply with his bid
16 and accept and pay for any such lands; payments received by the
17 Board under any bond enhancement agreements with respect to such
18 bonds; and interest received from investments of any such money.
19 The principal of and interest on the general obligation bonds
20 authorized by this section for the benefit of the Veterans' Land
21 Fund (including payments by the Board under any bond enhancement
22 agreements with respect to principal of or interest on such bonds)
23 shall be paid out of the money of the Veterans' Land Fund, but the
24 money of such fund which is not immediately committed to the
25 payment of principal and interest on such bonds, the purchase of
26 lands as herein provided, or the payment of expenses as herein
27 provided may be invested as authorized by law until the money is

1 needed for such purposes.

2 (d) The Veterans' Housing Assistance Fund II is created, and
3 \$500 million of the general obligation bonds authorized to be
4 outstanding by this section shall be used for the Veterans' Housing
5 Assistance Fund II. The Veterans' Housing Assistance Fund II is
6 a separate and distinct fund from the Veterans' Housing Assistance
7 Fund, established pursuant to section 49-b-1 of this article.
8 Money in the Veterans' Housing Assistance Fund II shall be
9 administered by the Veterans' Land Board and shall be used for the
10 purpose of making home mortgage loans to veterans for housing
11 within the State of Texas in such quantities, on such terms, at
12 such rates of interest (fixed, variable, floating or otherwise),
13 and under such rules and regulations as may be authorized by law.
14 The expenses of said Board in connection with the issuance of the
15 bonds and the making of the loans may be paid from money in the
16 Veterans' Housing Assistance Fund II. The Veterans' Housing
17 Assistance Fund II shall consist of any interest of said Board in
18 home mortgage loans made to veterans by said Board from money in
19 such fund pursuant to the Veterans' Housing Assistance Program
20 established by the legislature; the proceeds derived from the sale
21 or other disposition of said Board's interest in such home mortgage
22 loans; the money attributable to any bonds issued and sold by said
23 Board to provide money for such fund, which money so attributable
24 shall include but shall not be limited to the proceeds from the
25 issuance and sale of such bonds; income, rents, and any other
26 pecuniary benefit received by said Board as a result of making such
27 loans; sums received by way of indemnity or forfeiture for the

1 failure of any bidder for the purchase of any such bonds to comply
2 with his bid and accept and pay for such bonds; payments received
3 by the Board under any bond enhancement agreements with respect to
4 such bonds; and interest received from investments of any such
5 money. The principal of and interest on the general obligation
6 bonds authorized by this section for the benefit of the Veterans'
7 Housing Assistance Fund II (including payments by the Board under
8 any bond enhancement agreements with respect to principal of or
9 interest on such bonds) shall be paid out of the money of the
10 Veterans' Housing Assistance Fund II, but the money of such fund
11 which is not immediately committed to the payment of principal and
12 interest on such bonds, the making of home mortgage loans as herein
13 provided, or the payment of expenses as herein provided may be
14 invested as authorized by law until the money is needed for such
15 purposes.

16 (e) Notwithstanding the provisions of section 49-b-1 of this
17 article to the contrary, the Veterans' Housing Assistance Fund
18 shall consist of any interest of said Board in home mortgage loans
19 made to veterans by said Board from money in such fund pursuant to
20 the Veterans' Housing Assistance Program established by the
21 legislature; the proceeds derived from the sale or other
22 disposition of said Board's interest in such home mortgage loans;
23 the money attributable to any bonds issued and sold by said Board
24 to provide money for such fund, which money so attributable shall
25 include but shall not be limited to the proceeds from the issuance
26 and sale of such bonds; income, rents, and any other pecuniary
27 benefit received by said Board as a result of making such loans;

1 sums received by way of indemnity or forfeiture for the failure of
2 any bidder for the purchase of any such bonds to comply with his
3 bid and accept and pay for such bonds; payments received by the
4 Board under any bond enhancement agreements with respect to such
5 bonds; and interest received from investments of any such money.
6 The principal of and interest on the general obligation bonds
7 authorized by section 49-b-1 of this section for the benefit of the
8 Veterans' Housing Assistance Fund (including payments by the Board
9 under any bond enhancement agreements with respect to principal of
10 or interest on such bonds) shall be paid out of money in the
11 Veterans' Housing Assistance Fund.

12 (f) To the extent there is not money in any of the Veterans'
13 Land Fund, the Veterans' Housing Assistance Fund or the Veterans'
14 Housing Assistance Fund II, as the case may be, available for
15 payment of principal of and interest on the general obligation
16 bonds authorized by this section or by sections 49-b or 49-b-1 of
17 this article to provide money for any of the funds (including money
18 to make payments by the Board under any bond enhancement agreements
19 with respect to principal of or interest on such bonds), there is
20 hereby appropriated out of the first money coming into the treasury
21 in each fiscal year, not otherwise appropriated by this
22 constitution, an amount which is sufficient to pay the principal
23 of and interest on such general obligation bonds (or to make such
24 bond enhancement payments with respect thereto) that mature or
25 become due during that fiscal year.

26 (g) Notwithstanding any provisions of section 49-b or 49-b-1
27 of this article to the contrary, receipt of all kinds of the

1 Veterans' Land Fund, the Veterans' Housing Assistance Fund or the
2 Veterans' Housing Assistance Fund II determined by said Board not
3 to be required for the payment of principal of and interest on the
4 general obligation bonds (including payments by the Board under any
5 bond enhancement agreement with respect to principal of or interest
6 on such bonds) authorized by this section or by section 49-b or 49-
7 b-1 of this article, or hereafter authorized by this Constitution
8 to be issued by the Board to provide money for such fund, may be
9 used by the Board, to the extent not inconsistent with the
10 proceedings authorizing such bonds, (1) to make temporary transfers
11 to any other such fund to avoid a temporary cash deficiency therein
12 or to make transfers to any other such fund for the purposes
13 thereof, (2) to pay the principal of and interest on general
14 obligation bonds issued to provide money for any other such fund
15 (or to make any bond enhancement payments with respect thereto),
16 or (3) to pay the principal of and interest on revenue bonds of
17 said Board issued for the purposes of providing funds for the
18 purchasing of lands and making the sale thereof to veterans or
19 making home mortgage loans to veterans (or to make any bond
20 enhancement payments with respect thereto). The Board may also
21 transfer any assets from the Veterans' Land Fund, the Veterans'
22 Housing Assistance Fund or the Veterans' Housing Assistance Fund
23 II determined by said Board not to be required for the purposes
24 thereof to any other such fund or to secure revenue bonds issued
25 by said Board under this subsection. Such revenue bonds shall be
26 special obligations of said Board and payable only from and secured
27 only by such receipts of the funds and such assets transferred from

1 the funds and such other revenues and assets as determined by said
2 Board and shall not constitute indebtedness of the state or the
3 Veterans' Land Board. Said Board is authorized to issue such
4 revenue bonds from time to time which shall not exceed an aggregate
5 principal amount that said Board determines can be fully retired
6 from the receipts of the funds and the assets transferred from the
7 funds and from the other revenues and assets pledged to the
8 retirement of the revenue bonds. The revenue bonds shall be issued
9 and sold in such forms and denominations, in such manner, upon
10 such terms, at such times and places, and in such installments as
11 may be determined by said Board; and, notwithstanding the rate of
12 interest specified by any other provision of this constitution,
13 shall bear a rate or rates of interest as determined by said Board.
14 Any determination made by the Board hereunder shall be binding and
15 conclusive as to the matters so determined.

16 (h) Notwithstanding any provisions of section 49-b or 49-b-
17 1 of this article to the contrary, the bonds authorized to be
18 issued and sold by the Veterans' Land Board by this section or by
19 sections 49-b and 49-b-1 of this article shall be issued in such
20 forms and denominations, and upon such terms as are now or may
21 hereafter be determined by said Board; shall be issued and sold at
22 such times, in such manner, at such places, and in such
23 installments as may be determined by said Board; and shall bear a
24 rate or rates of interest as determined by said Board. All such
25 bonds shall, after execution by said Board, approval by the
26 Attorney General of Texas and delivery to the purchaser or
27 purchasers thereof, be incontestable.

1 (i) This Amendment being intended only to establish a basic
2 framework and not to be a comprehensive treatment of the Veterans'
3 Housing Assistance Program and the Veterans' Land Program, there
4 is hereby reposed in the Legislature full power to implement and
5 effectuate the design and objects of this Amendment, including the
6 power to delegate such duties, responsibilities, functions, and
7 authority to the Veterans' Land Board as it believes necessary.
8

9 SECTION 2. This proposed constitutional amendment shall be
10 submitted to the voters at an election to be held November 2, 1993.
11 The ballot shall be printed to provide for voting for or against
12 the proposition: "___ J.R. ___, 73rd Legislature, Regular
13 Session: "The constitutional amendment authorizing issuance of
14 general obligation bonds to augment the Veterans' Land Fund and
15 Veterans' Housing Assistance Fund and to fund the Veterans' Housing
16 Assistance Fund II and authorizing issuance of revenue bonds to
17 provide financial assistance to veterans of the state.""

By: Turner

S.J.R. No. 34

(In the Senate - Filed March 10, 1993; March 11, 1993, read first time and referred to Committee on Finance; April 14, 1993, reported adversely, with favorable Committee Substitute by the following vote: Yeas 11, Nays 0; April 14, 1993, sent to printer.)

COMMITTEE VOTE

	Yea	Nay	PNV	Absent
Montford	x			
Turner	x			
Armbrister	x			
Barrientos	x			
Bivins	x			
Ellis	x			
Haley	x			
Moncrief				x
Parker	x			
Ratliff	x			
Sims				x
Truan	x			
Zaffirini	x			

COMMITTEE SUBSTITUTE FOR S.J.R. No. 34

By: Turner

SENATE JOINT RESOLUTION

proposing a constitutional amendment relating to bonds issued to augment the Veterans' Land Fund and the Veterans' Housing Assistance Fund, to fund the Veterans' Housing Assistance Fund II, and to provide financial assistance to veterans of the state.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Article III of the Texas Constitution is amended by adding Section 49-b-2 to read as follows:

Sec. 49-b-2. (a) In addition to the general obligation bonds authorized to be issued and to be sold by the Veterans' Land Board by Sections 49-b and 49-b-1 of this article, the Veterans' Land Board may provide for, issue, and sell general obligation bonds of the state in an amount not to exceed \$750 million, to provide financing to veterans of the state in recognition of their service to their state and the United States of America.

(b) Two hundred fifty million dollars of the general obligation bonds authorized by this section shall be used to augment the Veterans' Land Fund. Notwithstanding any provision of Section 49-b or 49-b-1 of this article to the contrary, the Veterans' Land Fund shall be used by the Veterans' Land Board to purchase lands situated in the state owned by the United States government, an agency of the United States government, this state, a political subdivision or agency of this state, or a person, firm, or corporation. Lands purchased and comprising a part of the Veterans' Land Fund are declared to be held for a governmental purpose, but the individual purchasers of those lands shall be subject to taxation to the same extent and in the same manner as are purchasers of lands dedicated to the Permanent Free Public School Fund. The lands shall be sold to veterans in quantities, on terms, at prices, and at fixed, variable, floating, or other rates of interest, determined by the Board and in accordance with rules of the Board. Notwithstanding any provisions of this section to the contrary, lands in the Veterans' Land Fund that are offered for sale to veterans and that are not sold may be sold or resold to the purchasers in quantities, on terms, at prices, and at rates of interest determined by the Board and in accordance with rules of the Board. The expenses of the Board in connection with the issuance of the bonds and the purchase and sale of the lands may be paid from money in the Veterans' Land Fund.

(c) The Veterans' Land Fund shall consist of:

(1) lands heretofore or hereafter purchased by the Board;
(2) money attributable to bonds heretofore or hereafter issued and sold by the Board for the fund, including

proceeds from the issuance and sale of the bonds;

(3) money received from the sale or resale of lands or rights in lands purchased from those proceeds;

(4) money received from the sale or resale of lands or rights in lands purchased with other money attributable to the bonds;

(5) proceeds derived from the sale or other disposition of the Board's interest in contracts for the sale or resale of lands or rights in lands;

(6) interest and penalties received from the sale or resale of lands or rights in lands;

(7) bonuses, income, rents, royalties, and other pecuniary benefits received by the Board from lands;

(8) money received by way of indemnity or forfeiture for the failure of a bidder for the purchase of bonds to comply with the bid and accept and pay for the bonds or for the failure of a bidder for the purchase of lands comprising a part of the Veterans' Land Fund to comply with the bid and accept and pay for the lands;

(9) payments received by the Board under a bond enhancement agreement with respect to the bonds; and

(10) interest received from investments of money in the fund.

(d) The principal of and interest on the general obligation bonds authorized by this section for the benefit of the Veterans' Land Fund, including payments by the Board under a bond enhancement agreement with respect to principal of or interest on the bonds, shall be paid out of the money of the Veterans' Land Fund, but the money in the fund that is not immediately committed to the payment of principal and interest on the bonds, the purchase of lands, or the payment of expenses may be invested as authorized by law until the money is needed for those purposes.

(e) The Veterans' Housing Assistance Fund II is created, and \$500 million of the general obligation bonds authorized by this section shall be used for the Veterans' Housing Assistance Fund II. The Veterans' Housing Assistance Fund II is a separate and distinct fund from the Veterans' Housing Assistance Fund established under Section 49-b-1 of this article. Money in the Veterans' Housing Assistance Fund II shall be administered by the Veterans' Land Board and shall be used to make home mortgage loans to veterans for housing within this state in quantities, on terms, and at fixed, variable, floating, or other rates of interest, determined by the Board and in accordance with rules of the Board. The expenses of the Board in connection with the issuance of the bonds and the making of the loans may be paid from money in the Veterans' Housing Assistance Fund II.

(f) The Veterans' Housing Assistance Fund II shall consist of:

(1) the Board's interest in home mortgage loans the Board makes to veterans from money in the fund under the Veterans' Housing Assistance Program established by law;

(2) proceeds derived from the sale or other disposition of the Board's interest in home mortgage loans;

(3) money attributable to bonds issued and sold by the Board to provide money for the fund, including the proceeds from the issuance and sale of bonds;

(4) income, rents, and other pecuniary benefits received by the Board as a result of making loans;

(5) money received by way of indemnity or forfeiture for the failure of a bidder for the purchase of bonds to comply with the bid and accept and pay for the bonds;

(6) payments received by the Board under a bond enhancement agreement with respect to the bonds; and

(7) interest received from investments of money.

(g) The principal of and interest on the general obligation bonds authorized by this section for the benefit of the Veterans' Housing Assistance Fund II, including payments by the Board under a bond enhancement agreement with respect to principal of or interest on the bonds, shall be paid out of the money of the Veterans' Housing Assistance Fund II, but the money in the fund that is not

1 immediately committed to the payment of principal and interest on
 2 the bonds, the making of home mortgage loans, or the payment of
 3 expenses may be invested as authorized by law until the money is
 4 needed for those purposes.

5 (h) Notwithstanding the provisions of Section 49-b-1 of this
 6 article to the contrary, the Veterans' Housing Assistance Fund
 7 shall consist of:

8 (1) the Board's interest in home mortgage loans the
 9 Board makes to veterans from money in the fund under the Veterans'
 10 Housing Assistance Program established by law;

11 (2) proceeds derived from the sale or other
 12 disposition of the Board's interest in home mortgage loans;

13 (3) money attributable to bonds issued and sold by the
 14 Board to provide money for the fund, including proceeds from the
 15 issuance and sale of bonds;

16 (4) income, rents, and other pecuniary benefits
 17 received by the Board as a result of making loans;

18 (5) money received by way of indemnity or forfeiture
 19 for the failure of a bidder for the purchase of bonds to comply
 20 with the bid and accept and pay for the bonds;

21 (6) payments received by the Board under a bond
 22 enhancement agreement with respect to the bonds; and

23 (7) interest received from investments of money.

24 (i) The principal of and interest on the general obligation
 25 bonds authorized by Section 49-b-1 of this article for the benefit
 26 of the Veterans' Housing Assistance Fund, including payments by the
 27 Board under a bond enhancement agreement with respect to principal
 28 of or interest on the bonds, shall be paid out of money in the
 29 Veterans' Housing Assistance Fund.

30 (j) If there is not enough money in the Veterans' Land Fund,
 31 the Veterans' Housing Assistance Fund, or the Veterans' Housing
 32 Assistance Fund II, as the case may be, available to pay the
 33 principal of and interest on the general obligation bonds
 34 authorized by this section or by Section 49-b or 49-b-1 of this
 35 article, including money to make payments by the Board under a bond
 36 enhancement agreement with respect to principal of or interest on
 37 the bonds, there is appropriated out of the first money coming into
 38 the treasury in each fiscal year, not otherwise appropriated by
 39 this constitution, an amount that is sufficient to pay the
 40 principal of and interest on the general obligation bonds that
 41 mature or become due during that fiscal year or to make bond
 42 enhancement payments with respect to those bonds.

43 (k) Notwithstanding any provisions of Section 49-b or 49-b-1
 44 of this article to the contrary, receipts of all kinds of the
 45 Veterans' Land Fund, the Veterans' Housing Assistance Fund, or the
 46 Veterans' Housing Assistance Fund II that the Board determines are
 47 not required for the payment of principal of and interest on the
 48 general obligation bonds, including payments by the Board under a
 49 bond enhancement agreement with respect to principal of or interest
 50 on the bonds, authorized by this section or by Section 49-b or
 51 49-b-1 of this article or otherwise authorized by this constitution
 52 to be issued by the Board to provide money for the fund, may be
 53 used by the Board, to the extent not inconsistent with the
 54 proceedings authorizing the bonds to:

55 (1) make temporary transfers to another of those funds
 56 to avoid a temporary cash deficiency in that fund or make a
 57 transfer to another of those funds for the purposes of that fund;

58 (2) pay the principal of and interest on general
 59 obligation bonds issued to provide money for another of those funds
 60 or make bond enhancement payments with respect to the bonds; or

61 (3) pay the principal of and interest on revenue bonds
 62 of the Board or make bond enhancement payments with respect to the
 63 bonds if the bonds are issued to provide funds to purchase lands
 64 and sell lands to veterans or make home mortgage loans to veterans.

65 (l) If the Board determines that assets from the Veterans'
 66 Land Fund, the Veterans' Housing Assistance Fund, or the Veterans'
 67 Housing Assistance Fund II are not required for the purposes of the
 68 fund, the Board may transfer the assets to another of those funds
 69 or use the assets to secure revenue bonds issued by the Board under
 70 this section.

(m) The revenue bonds shall be special obligations of the Board and payable only from and secured only by receipts of the funds, assets transferred from the funds, and other revenues and assets as determined by the Board and shall not constitute indebtedness of the state or the Veterans' Land Board. The Board may issue revenue bonds from time to time, which bonds may not exceed an aggregate principal amount that the Board determines can be fully retired from the receipts of the funds, the assets transferred from the funds, and the other revenues and assets pledged to the retirement of the revenue bonds. The revenue bonds shall be issued and sold in forms and denominations, in the manner, on terms, at times and places, and in installments the Board determines. Notwithstanding the rate of interest specified by any other provision of this constitution, the revenue bonds shall bear a rate or rates of interest the Board determines. A determination made by the Board under this subsection shall be binding and conclusive as to the matter determined.

(n) Notwithstanding any provisions of Section 49-b or 49-b-1 of this article to the contrary, the bonds authorized to be issued and sold by the Veterans' Land Board by this section or by Sections 49-b and 49-b-1 of this article shall be issued and sold in forms and denominations, on terms, at times, in the manner, at places, and in installments the Board determines. The bonds shall bear a rate or rates of interest the Board determines. The bonds shall be incontestable after execution by the Board, approval by the Attorney General of Texas, and delivery to the purchaser or purchasers of the bonds.

(o) This Amendment being intended only to establish a basic framework and not to be a comprehensive treatment of the Veterans' Housing Assistance Program and the Veterans' Land Program, there is hereby reposed in the Legislature full power to implement and effectuate the design and objects of this Amendment, including the power to delegate such duties, responsibilities, functions, and authority to the Veterans' Land Board as it believes necessary.

(p) In this section, "veteran" has the meaning assigned by Section 49-b-1 of this article.

SECTION 2. This proposed constitutional amendment shall be submitted to the voters at an election to be held November 2, 1993. The ballot shall be printed to provide for voting for or against the proposition: "The constitutional amendment authorizing issuance of \$750 million in general obligation bonds to augment the Veterans' Land Fund and the Veterans' Housing Assistance Fund and to fund the Veterans' Housing Assistance Fund II."

* * * * *

Austin, Texas
April 14, 1993

Hon. Bob Bullock
President of the Senate

Sir:

We, your Committee on Finance to which was referred S.J.R. No. 34, have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do not pass, but that the Committee Substitute adopted in lieu thereof do pass and be printed.

Montford, Chairman

* * * * *

WITNESSES

FOR AGAINST ON

Name: Bruce R. Salzer			x
Representing: Veterans Land Board			
City: Austin			

Name: David A. Gloier			x
Representing: Tx. Veterans Land Board			
City: Austin			

Name: Jerry Turner			x
Representing: Tx. Veterans Land Board			
City: Austin			

**FAVORABLY AS SUBSTITUTED
SENATE COMMITTEE REPORT ON**

SB SCR (SJR) SR HB HCR HJR 34

By Turner
(Author/Senate Sponsor)
4-14-93
(date)

We, your Committee on FINANCE, to which was referred the attached measure, have on 4-14-93, had the same under consideration and I am instructed to report it back with the recommendation (s) that it:

- ☒ do pass as substituted, and be printed
☐ the caption remained the same as original measure
☒ the caption changed with adoption of the substitute
☐ do pass as substituted, and be ordered not printed
☐ and is recommended for placement on the Local and Uncontested Bills Calendar.

A fiscal note was requested. ☒ yes ☐ no

A revised fiscal note was requested. ☒ yes ☐ no

An actuarial analysis was requested. ☐ yes ☒ no

Considered by subcommittee. ☐ yes ☒ no

The measure was reported from Committee by the following vote:

	YEA	NAY	ABSENT	PNV
Montford, Chair	<input checked="" type="checkbox"/>			
Turner, Vice-Chair	<input checked="" type="checkbox"/>			
Armbrister	<input checked="" type="checkbox"/>			
Barrientos	<input checked="" type="checkbox"/>			
Bivins	<input checked="" type="checkbox"/>			
Ellis	<input checked="" type="checkbox"/>			
Haley	<input checked="" type="checkbox"/>			
Moncrief			<input checked="" type="checkbox"/>	
Parker	<input checked="" type="checkbox"/>			
Ratliff	<input checked="" type="checkbox"/>			
Sims			<input checked="" type="checkbox"/>	
Truan	<input checked="" type="checkbox"/>			
Zaffirini	<input checked="" type="checkbox"/>			
TOTAL VOTES	11	0	2	0

COMMITTEE ACTION

- ☒ S260 Considered in public hearing
☒ S270 Testimony taken

Jerry Sander
COMMITTEE CLERK

Turner
CHAIRMAN

Paper clip the original and one copy of this signed form to the original bill along with TWO copies of the Committee Substitute
 Retain one copy of this form for Committee files

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

73rd Regular Session

April 2, 1993

TO: Honorable John Montford, Chair
Committee on Finance
Senate Chamber
Austin, Texas

IN RE: Senate Joint Resolution
No. 34
By: Turner

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Joint Resolution No. 34 (proposing a constitutional amendment relating to bonds issued to augment the Veterans' Land Fund and the Veterans' Housing Assistance Fund and to create and fund the Veterans' Housing Assistance Fund II) this office has determined the following:

The resolution would authorize an additional \$750 million in general obligation bonds to be outstanding at any time to provide for the veterans programs administered by the Veterans Land Board (VLB). Of this amount, \$250 million would be authorized to be used to augment the Veterans' Land Program and \$500 million would be used for the Veterans' Housing Assistance Program. The Veterans' Housing Assistance Fund II would be created to be used in connection with the administration of the housing assistance program. The resolution would also authorize the VLB to issue revenue bonds and transfer money or assets from constitutionally created funds to other such funds or to secure revenue bonds issued under this act.

Since the bonds are intended to be self-supporting, any costs associated with the issuance and administering of the bonds, as well as principal and interest costs would be paid from the three funds, the Veterans' Land Fund, the Veteran's Housing Assistance Fund, and the Veterans' Housing Assistance Fund II. These funds would consist of the lands and home mortgage loans held by the board, money attributable to any bonds issued and sold, proceeds derived from the sale of land or other interests, and the interest received from the investment of the moneys in the funds. The estimated debt service costs shown below are based on the assumptions that, beginning in 1994, \$100 million in bonds would be issued annually for the Housing Assistance Program, \$40 million in bonds would be issued for the Land Program, and the bonds would be repaid with equal debt service payments over a 30-year period, with no principal paid in the year the bonds are issued. Since the bill does not provide information on the amount of revenue bonds to be issued, no debt service cost estimates can be made for these bonds. ✓

The probable cost of implementing the provisions of the bill during each of the first five years following passage is estimated as follows:

Fiscal Year	Probable Debt Service Cost out of the Veterans' Land Fund, the Veterans' Housing Assistance Fund, and the Veterans' Housing Assistance Fund II
1994	\$4,550,000
1995	15,270,000
1996	25,990,000
1997	36,710,000
1998	47,430,000

To the extent that there is not money available for payment of principal and interest on the bonds in any of the funds shown above, the payments would be made out of the general revenue fund. The debt service payments would continue until 30 years after the last bond issuance.

No fiscal implication to units of local government is anticipated.

The cost of publication of the resolution to the State is \$60,000.

Source: General Land Office and Veterans' Land Board, Comptroller of Public Accounts,
State Bond Review Board;
LBB Staff: JO, JWH, EC, KNW, JOL

EBW

By: Turner

S.J.R. No. 34

~~Substitute the following for S.J.R. No. 34.~~

By: Turner

C.S.S.J.R. No. 34

SENATE JOINT RESOLUTION

1 proposing a constitutional amendment relating to bonds issued to
2 augment the Veterans' Land Fund and the Veterans' Housing
3 Assistance Fund, to fund the Veterans' Housing Assistance Fund II,
4 and to provide financial assistance to veterans of the state.

5 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Article III of the Texas Constitution is amended
7 by adding Section 49-b-2 to read as follows:

8 Sec. 49-b-2. (a) In addition to the general obligation
9 bonds authorized to be issued and to be sold by the Veterans' Land
10 Board by Sections 49-b and 49-b-1 of this article, the Veterans'
11 Land Board may provide for, issue, and sell general obligation
12 bonds of the state in an amount not to exceed \$750 million, to
13 provide financing to veterans of the state in recognition of their
14 service to their state and the United States of America.

15 (b) Two hundred fifty million dollars of the general
16 obligation bonds authorized by this section shall be used to
17 augment the Veterans' Land Fund. Notwithstanding any provision of
18 Section 49-b or 49-b-1 of this article to the contrary, the
19 Veterans' Land Fund shall be used by the Veterans' Land Board to
20 purchase lands situated in the state owned by the United States
21 government, an agency of the United States government, this state,
22 a political subdivision or agency of this state, or a person, firm,

4-14-93

4-19-93

5-12-93

or corporation. Lands purchased and comprising a part of the Veterans' Land Fund are declared to be held for a governmental purpose, but the individual purchasers of those lands shall be subject to taxation to the same extent and in the same manner as are purchasers of lands dedicated to the permanent free Public School Fund. The lands shall be sold to veterans in quantities, on terms, at prices, and at fixed, variable, floating, or other rates of interest, determined by the Board and in accordance with rules of the Board. Notwithstanding any provisions of this section to the contrary, lands in the Veterans' Land Fund that are offered for sale to veterans and that are not sold may be sold or resold to the purchasers in quantities, on terms, at prices, and at rates of interest determined by the Board and in accordance with rules of the Board. The expenses of the Board in connection with the issuance of the bonds and the purchase and sale of the lands may be paid from money in the Veterans' Land Fund.

(c) The Veterans' Land Fund shall consist of:

(1) lands heretofore or hereafter purchased by the Board;

(2) money attributable to bonds heretofore or hereafter issued and sold by the Board for the fund, including proceeds from the issuance and sale of the bonds;

(3) money received from the sale or resale of lands or rights in lands purchased from those proceeds;

(4) money received from the sale or resale of lands or

1 rights in lands purchased with other money attributable to the
2 bonds; ^{2/3}

3 (5) proceeds derived from the sale or other
4 disposition of the Board's interest in contracts for the sale or
5 resale of lands or rights in lands;

6 (6) interest and penalties received from the sale or
7 resale of lands or rights in lands;

8 (7) bonuses, income, rents, royalties, and other
9 pecuniary benefits received by the Board from lands;

10 (8) money received by way of indemnity or forfeiture
11 for the failure of a bidder for the purchase of bonds to comply
12 with the bid and accept and pay for the bonds or for the failure of
13 a bidder for the purchase of lands comprising a part of the
14 Veterans' Land Fund to comply with the bid and accept and pay for
15 the lands;

16 (9) payments received by the Board under a bond
17 enhancement agreement with respect to the bonds; and

18 (10) interest received from investments of money in
19 the fund.

20 (d) The principal of and interest on the general obligation
21 bonds authorized by this section for the benefit of the Veterans'
22 Land Fund, including payments by the Board under a bond enhancement
23 agreement with respect to principal of or interest on the bonds,
24 shall be paid out of the money of the Veterans' Land Fund, but the
25 money in the fund that is not immediately committed to the payment

1 of principal and interest on the bonds, the purchase of lands, or
2 the payment of expenses may be invested as authorized by law until ^{3/4}
3 the money is needed for those purposes.

4 (e) The Veterans' Housing Assistance Fund II is created, and
5 \$500 million of the general obligation bonds authorized by this
6 section shall be used for the Veterans' Housing Assistance Fund II.
7 The Veterans' Housing Assistance Fund II is a separate and distinct
8 fund from the Veterans' Housing Assistance Fund established under
9 Section 49-b-1 of this article. Money in the Veterans' Housing
10 Assistance Fund II shall be administered by the Veterans' Land
11 Board and shall be used to make home mortgage loans to veterans for
12 housing within this state in quantities, on terms, and at fixed,
13 variable, floating, or other rates of interest, determined by the
14 Board and in accordance with rules of the Board. The expenses of
15 the Board in connection with the issuance of the bonds and the
16 making of the loans may be paid from money in the Veterans' Housing
17 Assistance Fund II.

18 (f) The Veterans' Housing Assistance Fund II shall consist
19 of:

20 (1) the Board's interest in home mortgage loans the
21 Board makes to veterans from money in the fund under the Veterans'
22 Housing Assistance Program established by law;

23 (2) proceeds derived from the sale or other
24 disposition of the Board's interest in home mortgage loans;

25 (3) money attributable to bonds issued and sold by the

1 Board to provide money for the fund, including the proceeds from
2 the issuance and sale of bonds; ¹⁷/₅

3 (4) income, rents, and other pecuniary benefits
4 received by the Board as a result of making loans;

5 (5) money received by way of indemnity or forfeiture
6 for the failure of a bidder for the purchase of bonds to comply
7 with the bid and accept and pay for the bonds;

8 (6) payments received by the Board under a bond
9 enhancement agreement with respect to the bonds; and

10 (7) interest received from investments of money.

11 (g) The principal of and interest on the general obligation
12 bonds authorized by this section for the benefit of the Veterans'
13 Housing Assistance Fund II, including payments by the Board under a
14 bond enhancement agreement with respect to principal of or interest
15 on the bonds, shall be paid out of the money of the Veterans'
16 Housing Assistance Fund II, but the money in the fund that is not
17 immediately committed to the payment of principal and interest on
18 the bonds, the making of home mortgage loans, or the payment of
19 expenses may be invested as authorized by law until the money is
20 needed for those purposes.

21 (h) Notwithstanding the provisions of Section 49-b-1 of this
22 article to the contrary, the Veterans' Housing Assistance Fund
23 shall consist of:

24 (1) the Board's interest in home mortgage loans the
25 Board makes to veterans from money in the fund under the Veterans'

1 Housing Assistance Program established by law;

2 (2) proceeds derived from the sale or other 4/6
3 disposition of the Board's interest in home mortgage loans;

4 (3) money attributable to bonds issued and sold by the
5 Board to provide money for the fund, including proceeds from the
6 issuance and sale of bonds;

7 (4) income, rents, and other pecuniary benefits
8 received by the Board as a result of making loans;

9 (5) money received by way of indemnity or forfeiture
10 for the failure of a bidder for the purchase of bonds to comply
11 with the bid and accept and pay for the bonds;

12 (6) payments received by the Board under a bond
13 enhancement agreement with respect to the bonds; and

14 (7) interest received from investments of money.

15 (i) The principal of and interest on the general obligation
16 bonds authorized by Section 49-b-1 of this article for the benefit
17 of the Veterans' Housing Assistance Fund, including payments by the
18 Board under a bond enhancement agreement with respect to principal
19 of or interest on the bonds, shall be paid out of money in the
20 Veterans' Housing Assistance Fund.

21 (j) If there is not enough money in the Veterans' Land Fund,
22 the Veterans' Housing Assistance Fund, or the Veterans' Housing
23 Assistance Fund II, as the case may be, available to pay the
24 principal of and interest on the general obligation bonds
25 authorized by this section or by Section 49-b or 49-b-1 of this

1 article, including money to make payments by the Board under a bond
2 enhancement agreement with respect to principal of or interest on 4/7
3 the bonds, there is appropriated out of the first money coming into
4 the treasury in each fiscal year, not otherwise appropriated by
5 this constitution, an amount that is sufficient to pay the
6 principal of and interest on the general obligation bonds that
7 mature or become due during that fiscal year or to make bond
8 enhancement payments with respect to those bonds.

9 (k) Notwithstanding any provisions of Section 49-b or 49-b-1
10 of this article to the contrary, receipts of all kinds of the
11 Veterans' Land Fund, the Veterans' Housing Assistance Fund, or the
12 Veterans' Housing Assistance Fund II that the Board determines are
13 not required for the payment of principal of and interest on the
14 general obligation bonds, including payments by the Board under a
15 bond enhancement agreement with respect to principal of or interest
16 on the bonds, authorized by this section or by Section 49-b or
17 49-b-1 of this article or otherwise authorized by this constitution
18 to be issued by the Board to provide money for the fund, may be
19 used by the Board, to the extent not inconsistent with the
20 proceedings authorizing the bonds to:

21 (1) make temporary transfers to another of those funds
22 to avoid a temporary cash deficiency in that fund or make a
23 transfer to another of those funds for the purposes of that fund;

24 (2) pay the principal of and interest on general
25 obligation bonds issued to provide money for another of those funds

1 or make bond enhancement payments with respect to the bonds; or

2 (3) pay the principal of and interest on revenue bonds ^{7/8}
 3 of the Board or make bond enhancement payments with respect to the
 4 bonds if the bonds are issued to provide funds to purchase lands
 5 and sell lands to veterans or make home mortgage loans to veterans.

6 (1) If the Board determines that assets from the Veterans'
 7 Land Fund, the Veterans' Housing Assistance Fund, or the Veterans'
 8 Housing Assistance Fund II are not required for the purposes of the
 9 fund, the Board may transfer the assets to another of those funds
 10 or use the assets to secure revenue bonds issued by the Board under
 11 this section.

12 (m) The revenue bonds shall be special obligations of the
 13 Board and payable only from and secured only by receipts of the
 14 funds, assets transferred from the funds, and other revenues and
 15 assets as determined by the Board and shall not constitute
 16 indebtedness of the state or the Veterans' Land Board. The Board
 17 may issue revenue bonds from time to time, which bonds may not
 18 exceed an aggregate principal amount that the Board determines can
 19 be fully retired from the receipts of the funds, the assets
 20 transferred from the funds, and the other revenues and assets
 21 pledged to the retirement of the revenue bonds. The revenue bonds
 22 shall be issued and sold in forms and denominations, in the manner,
 23 on terms, at times and places, and in installments the Board
 24 determines. Notwithstanding the rate of interest specified by any
 25 other provision of this constitution, the revenue bonds shall bear

a rate or rates of interest the Board determines. A determination made by the Board under this subsection shall be binding and conclusive as to the matter determined.

(n) Notwithstanding any provisions of Section 49-b or 49-b-1 of this article to the contrary, the bonds authorized to be issued and sold by the Veterans' Land Board by this section or by Sections 49-b and 49-b-1 of this article shall be issued and sold in forms and denominations, on terms, at times, in the manner, at places, and in installments the Board determines. The bonds shall bear a rate or rates of interest the Board determines. The bonds shall be incontestable after execution by the Board, approval by the Attorney General of Texas, and delivery to the purchaser or purchasers of the bonds.

(o) This Amendment being intended only to establish a basic framework and not to be a comprehensive treatment of the Veterans' Housing Assistance Program and the Veterans' Land Program, there is hereby reposed in the Legislature full power to implement and effectuate the design and objects of this Amendment, including the power to delegate such duties, responsibilities, functions, and authority to the Veterans' Land Board as it believes necessary.

(p) In this section, "veteran" has the meaning assigned by Section 49-b-1 of this article.

SECTION 2. This proposed constitutional amendment shall be submitted to the voters at an election to be held November 2, 1993. The ballot shall be printed to provide for voting for or against

C.S.S.J.R. No. 34

1 the proposition: "The constitutional amendment authorizing
2 issuance of \$750 million in general obligation bonds to augment the
3 Veterans' Land Fund and the Veterans' Housing Assistance Fund and
4 to fund the Veterans' Housing Assistance Fund II."

April 19 19*93* Engrossed
Datsy Law
Engrossing Clerk

1993 APR 27 AM 8:54

HOUSE OF REPRESENTATIVES

I certify that the attached is a true and correct
copy of SJR 34, which was
received from the Senate on 4.19.93 and
referred to the Committee on Energy Resources
Datsy Law
Chief Clerk of the House

By: Turner
(Counts)

S.J.R. No. 34

SENATE JOINT RESOLUTION

proposing a constitutional amendment relating to bonds issued to
augment the Veterans' Land Fund and the Veterans' Housing
Assistance Fund, to fund the Veterans' Housing Assistance Fund II,
and to provide financial assistance to veterans of the state.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Article III of the Texas Constitution is amended
by adding Section 49-b-2 to read as follows:

Sec. 49-b-2. (a) In addition to the general obligation
bonds authorized to be issued and to be sold by the Veterans' Land
Board by Sections 49-b and 49-b-1 of this article, the Veterans'
Land Board may provide for, issue, and sell general obligation
bonds of the state in an amount not to exceed \$750 million, to
provide financing to veterans of the state in recognition of their
service to their state and the United States of America.

(b) Two hundred fifty million dollars of the general
obligation bonds authorized by this section shall be used to
augment the Veterans' Land Fund. Notwithstanding any provision of
Section 49-b or 49-b-1 of this article to the contrary, the
Veterans' Land Fund shall be used by the Veterans' Land Board to
purchase lands situated in the state owned by the United States
government, an agency of the United States government, this state,
a political subdivision or agency of this state, or a person, firm,
or corporation. Lands purchased and comprising a part of the
Veterans' Land Fund are declared to be held for a governmental

1 purpose, but the individual purchasers of those lands shall be
2 subject to taxation to the same extent and in the same manner as
3 are purchasers of lands dedicated to the Permanent Free Public
4 School Fund. The lands shall be sold to veterans in quantities, on
5 terms, at prices, and at fixed, variable, floating, or other rates
6 of interest, determined by the Board and in accordance with rules
7 of the Board. Notwithstanding any provisions of this section to
8 the contrary, lands in the Veterans' Land Fund that are offered for
9 sale to veterans and that are not sold may be sold or resold to the
10 purchasers in quantities, on terms, at prices, and at rates of
11 interest determined by the Board and in accordance with rules of
12 the Board. The expenses of the Board in connection with the
13 issuance of the bonds and the purchase and sale of the lands may be
14 paid from money in the Veterans' Land Fund.

15 (c) The Veterans' Land Fund shall consist of:

16 (1) lands heretofore or hereafter purchased by the
17 Board;

18 (2) money attributable to bonds heretofore or
19 hereafter issued and sold by the Board for the fund, including
20 proceeds from the issuance and sale of the bonds;

21 (3) money received from the sale or resale of lands or
22 rights in lands purchased from those proceeds;

23 (4) money received from the sale or resale of lands or
24 rights in lands purchased with other money attributable to the
25 bonds;

1 (5) proceeds derived from the sale or other
2 disposition of the Board's interest in contracts for the sale or
3 resale of lands or rights in lands;

4 (6) interest and penalties received from the sale or
5 resale of lands or rights in lands;

6 (7) bonuses, income, rents, royalties, and other
7 pecuniary benefits received by the Board from lands;

8 (8) money received by way of indemnity or forfeiture
9 for the failure of a bidder for the purchase of bonds to comply
10 with the bid and accept and pay for the bonds or for the failure of
11 a bidder for the purchase of lands comprising a part of the
12 Veterans' Land Fund to comply with the bid and accept and pay for
13 the lands;

14 (9) payments received by the Board under a bond
15 enhancement agreement with respect to the bonds; and

16 (10) interest received from investments of money in
17 the fund.

18 (d) The principal of and interest on the general obligation
19 bonds authorized by this section for the benefit of the Veterans'
20 Land Fund, including payments by the Board under a bond enhancement
21 agreement with respect to principal of or interest on the bonds,
22 shall be paid out of the money of the Veterans' Land Fund, but the
23 money in the fund that is not immediately committed to the payment
24 of principal and interest on the bonds, the purchase of lands, or
25 the payment of expenses may be invested as authorized by law until

1 the money is needed for those purposes.

2 (e) The Veterans' Housing Assistance Fund II is created, and
3 \$500 million of the general obligation bonds authorized by this
4 section shall be used for the Veterans' Housing Assistance Fund II.
5 The Veterans' Housing Assistance Fund II is a separate and distinct
6 fund from the Veterans' Housing Assistance Fund established under
7 Section 49-b-1 of this article. Money in the Veterans' Housing
8 Assistance Fund II shall be administered by the Veterans' Land
9 Board and shall be used to make home mortgage loans to veterans for
10 housing within this state in quantities, on terms, and at fixed,
11 variable, floating, or other rates of interest, determined by the
12 Board and in accordance with rules of the Board. The expenses of
13 the Board in connection with the issuance of the bonds and the
14 making of the loans may be paid from money in the Veterans' Housing
15 Assistance Fund II.

16 (f) The Veterans' Housing Assistance Fund II shall consist
17 of:

18 (1) the Board's interest in home mortgage loans the
19 Board makes to veterans from money in the fund under the Veterans'
20 Housing Assistance Program established by law;

21 (2) proceeds derived from the sale or other
22 disposition of the Board's interest in home mortgage loans;

23 (3) money attributable to bonds issued and sold by the
24 Board to provide money for the fund, including the proceeds from
25 the issuance and sale of bonds;

1 (4) income, rents, and other pecuniary benefits
2 received by the Board as a result of making loans;

3 (5) money received by way of indemnity or forfeiture
4 for the failure of a bidder for the purchase of bonds to comply
5 with the bid and accept and pay for the bonds;

6 (6) payments received by the Board under a bond
7 enhancement agreement with respect to the bonds; and

8 (7) interest received from investments of money.

9 (g) The principal of and interest on the general obligation
10 bonds authorized by this section for the benefit of the Veterans'
11 Housing Assistance Fund II, including payments by the Board under a
12 bond enhancement agreement with respect to principal of or interest
13 on the bonds, shall be paid out of the money of the Veterans'
14 Housing Assistance Fund II, but the money in the fund that is not
15 immediately committed to the payment of principal and interest on
16 the bonds, the making of home mortgage loans, or the payment of
17 expenses may be invested as authorized by law until the money is
18 needed for those purposes.

19 (h) Notwithstanding the provisions of Section 49-b-1 of this
20 article to the contrary, the Veterans' Housing Assistance Fund
21 shall consist of:

22 (1) the Board's interest in home mortgage loans the
23 Board makes to veterans from money in the fund under the Veterans'
24 Housing Assistance Program established by law;

25 (2) proceeds derived from the sale or other

S.J.R. No. 34

1 disposition of the Board's interest in home mortgage loans;

2 (3) money attributable to bonds issued and sold by the
3 Board to provide money for the fund, including proceeds from the
4 issuance and sale of bonds;

5 (4) income, rents, and other pecuniary benefits
6 received by the Board as a result of making loans;

7 (5) money received by way of indemnity or forfeiture
8 for the failure of a bidder for the purchase of bonds to comply
9 with the bid and accept and pay for the bonds;

10 (6) payments received by the Board under a bond
11 enhancement agreement with respect to the bonds; and

12 (7) interest received from investments of money.

13 (i) The principal of and interest on the general obligation
14 bonds authorized by Section 49-b-1 of this article for the benefit
15 of the Veterans' Housing Assistance Fund, including payments by the
16 Board under a bond enhancement agreement with respect to principal
17 of or interest on the bonds, shall be paid out of money in the
18 Veterans' Housing Assistance Fund.

19 (j) If there is not enough money in the Veterans' Land Fund,
20 the Veterans' Housing Assistance Fund, or the Veterans' Housing
21 Assistance Fund II, as the case may be, available to pay the
22 principal of and interest on the general obligation bonds
23 authorized by this section or by Section 49-b or 49-b-1 of this
24 article, including money to make payments by the Board under a bond
25 enhancement agreement with respect to principal of or interest on

the bonds, there is appropriated out of the first money coming into the treasury in each fiscal year, not otherwise appropriated by this constitution, an amount that is sufficient to pay the principal of and interest on the general obligation bonds that mature or become due during that fiscal year or to make bond enhancement payments with respect to those bonds.

(k) Notwithstanding any provisions of Section 49-b or 49-b-1 of this article to the contrary, receipts of all kinds of the Veterans' Land Fund, the Veterans' Housing Assistance Fund, or the Veterans' Housing Assistance Fund II that the Board determines are not required for the payment of principal of and interest on the general obligation bonds, including payments by the Board under a bond enhancement agreement with respect to principal of or interest on the bonds, authorized by this section or by Section 49-b or 49-b-1 of this article or otherwise authorized by this constitution to be issued by the Board to provide money for the fund, may be used by the Board, to the extent not inconsistent with the proceedings authorizing the bonds to:

(1) make temporary transfers to another of those funds to avoid a temporary cash deficiency in that fund or make a transfer to another of those funds for the purposes of that fund;

(2) pay the principal of and interest on general obligation bonds issued to provide money for another of those funds or make bond enhancement payments with respect to the bonds; or

(3) pay the principal of and interest on revenue bonds

of the Board or make bond enhancement payments with respect to the bonds if the bonds are issued to provide funds to purchase lands and sell lands to veterans or make home mortgage loans to veterans.

(1) If the Board determines that assets from the Veterans' Land Fund, the Veterans' Housing Assistance Fund, or the Veterans' Housing Assistance Fund II are not required for the purposes of the fund, the Board may transfer the assets to another of those funds or use the assets to secure revenue bonds issued by the Board under this section.

(m) The revenue bonds shall be special obligations of the Board and payable only from and secured only by receipts of the funds, assets transferred from the funds, and other revenues and assets as determined by the Board and shall not constitute indebtedness of the state or the Veterans' Land Board. The Board may issue revenue bonds from time to time, which bonds may not exceed an aggregate principal amount that the Board determines can be fully retired from the receipts of the funds, the assets transferred from the funds, and the other revenues and assets pledged to the retirement of the revenue bonds. The revenue bonds shall be issued and sold in forms and denominations, in the manner, on terms, at times and places, and in installments the Board determines. Notwithstanding the rate of interest specified by any other provision of this constitution, the revenue bonds shall bear a rate or rates of interest the Board determines. A determination made by the Board under this subsection shall be binding and

conclusive as to the matter determined.

(n) Notwithstanding any provisions of Section 49-b or 49-b-1 of this article to the contrary, the bonds authorized to be issued and sold by the Veterans' Land Board by this section or by Sections 49-b and 49-b-1 of this article shall be issued and sold in forms and denominations, on terms, at times, in the manner, at places, and in installments the Board determines. The bonds shall bear a rate or rates of interest the Board determines. The bonds shall be incontestable after execution by the Board, approval by the Attorney General of Texas, and delivery to the purchaser or purchasers of the bonds.

(o) This Amendment being intended only to establish a basic framework and not to be a comprehensive treatment of the Veterans' Housing Assistance Program and the Veterans' Land Program, there is hereby reposed in the Legislature full power to implement and effectuate the design and objects of this Amendment, including the power to delegate such duties, responsibilities, functions, and authority to the Veterans' Land Board as it believes necessary.

(p) In this section, "veteran" has the meaning assigned by Section 49-b-1 of this article.

SECTION 2. This proposed constitutional amendment shall be submitted to the voters at an election to be held November 2, 1993. The ballot shall be printed to provide for voting for or against the proposition: "The constitutional amendment authorizing issuance of \$750 million in general obligation bonds to augment the

S.J.R. No. 34

- 1 Veterans' Land Fund and the Veterans' Housing Assistance Fund and
- 2 to fund the Veterans' Housing Assistance Fund II."

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE
73rd Regular Session

April 19, 1993

TO: Honorable John Montford, Chair
Committee on Finance
Senate Chamber
Austin, Texas

IN RE: Committee Substitute for
Senate Joint Resolution
No. 34

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Committee Substitute for Senate Joint Resolution 34 (proposing a constitutional amendment relating to bonds issued to augment the Veterans' Land Fund and the Veterans' Housing Assistance Fund, and to fund the Veterans' Housing Assistance Fund II and to provide financial assistance to veterans of the state) this office has determined the following:

The resolution would authorize an additional \$750 million in general obligation bonds to be outstanding at any time to provide for the veterans programs administered by the Veterans Land Board (VLB). Of this amount, \$250 million would be authorized to be used to augment the Veterans' Land Program and \$500 million would be used for the Veterans' Housing Assistance Program. The Veterans' Housing Assistance Fund II would be created to be used in connection with the administration of the housing assistance program. The resolution would also authorize the VLB to issue revenue bonds and transfer money or assets from constitutionally created funds to other such funds or to secure revenue bonds issued under this act.

The proposed resolution would be submitted to the voters at an election to be held November 2, 1993. Enabling legislation would be necessary to establish the program and to provide for the issuance of the general obligation bonds authorized by this resolution.

Since the bonds are intended to be self-supporting, any costs associated with the issuance and administering of the bonds, as well as principal and interest costs would be paid from the three funds, the Veterans' Land Fund, the Veteran's Housing Assistance Fund, and the Veterans' Housing Assistance Fund II. These funds would consist of the lands and home mortgage loans held by the board, money attributable to any bonds issued and sold, proceeds derived from the sale of land or other interests, and the interest received from the investment of the moneys in the funds.

The estimated debt service costs shown below are based on the assumptions that, beginning in 1994, \$125 million in bonds would be issued annually for the Housing Assistance Program, and \$35 million in bonds would be issued for the Land Program; the Board would issue \$160 million in bonds each of the first four years and the remaining \$110 million in the fifth year, all at a 6.5 percent interest rate for 30 years with semi-annual interest payments. The estimate assumes one interest payment in the year of issuance.

The estimate addresses only the issuance of general obligation debt for the Veterans' Land and Housing Assistance Programs. The resolution does not provide information regarding the amount of revenue bonds that would be issued, therefore, the estimate does not include debt service for revenue bonds.

The probable cost of implementing the provisions of the resolution for general obligation bonds during each of the first five years following passage is estimated as follows:

Fiscal Year	Probable Maximum Debt Service Cost out of the Veterans' Land Fund, the Veterans' Housing Assistance Fund, and the Veterans' Housing Assistance Fund II on General Obligation Bonds
1994	\$6,095,000
1995	18,285,000
1996	30,475,000
1997	42,658,000
1998	52,950,000

To the extent that there is not money available for payment of principal and interest on the bonds in any of the funds shown above, the payments would be made out of the general revenue fund. The debt service payments would continue until 30 years after the last bond issuance.

No fiscal implication to units of local government is anticipated.

The cost of publication of the resolution to the State is \$60,000.

Source: General Land Office and Veterans' Land Board, Comptroller of Public Accounts,
State Bond Review Board;
LBB Staff: JO, JWH, EC, KNW, JOL

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

73rd Regular Session

April 2, 1993

TO: Honorable John Montford, Chair
Committee on Finance
Senate Chamber
Austin, Texas

IN RE: Senate Joint Resolution
No. 34
By: Turner

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Joint Resolution No. 34 (proposing a constitutional amendment relating to bonds issued to augment the Veterans' Land Fund and the Veterans' Housing Assistance Fund and to create and fund the Veterans' Housing Assistance Fund II) this office has determined the following:

The resolution would authorize an additional \$750 million in general obligation bonds to be outstanding at any time to provide for the veterans programs administered by the Veterans Land Board (VLB). Of this amount, \$250 million would be authorized to be used to augment the Veterans' Land Program and \$500 million would be used for the Veterans' Housing Assistance Program. The Veterans' Housing Assistance Fund II would be created to be used in connection with the administration of the housing assistance program. The resolution would also authorize the VLB to issue revenue bonds and transfer money or assets from constitutionally created funds to other such funds or to secure revenue bonds issued under this act.

Since the bonds are intended to be self-supporting, any costs associated with the issuance and administering of the bonds, as well as principal and interest costs would be paid from the three funds, the Veterans' Land Fund, the Veteran's Housing Assistance Fund, and the Veterans' Housing Assistance Fund II. These funds would consist of the lands and home mortgage loans held by the board, money attributable to any bonds issued and sold, proceeds derived from the sale of land or other interests, and the interest received from the investment of the moneys in the funds. The estimated debt service costs shown below are based on the assumptions that, beginning in 1994, \$100 million in bonds would be issued annually for the Housing Assistance Program, \$40 million in bonds would be issued for the Land Program, and the bonds would be repaid with equal debt service payments over a 30-year period, with no principal paid in the year the bonds are issued. Since the bill does not provide information on the amount of revenue bonds to be issued, no debt service cost estimates can be made for these bonds. ✓

The probable cost of implementing the provisions of the bill during each of the first five years following passage is estimated as follows:

Fiscal Year	Probable Debt Service Cost out of the Veterans' Land Fund, the Veterans' Housing Assistance Fund, and the Veterans' Housing Assistance Fund II
1994	\$4,550,000
1995	15,270,000
1996	25,990,000
1997	36,710,000
1998	47,430,000

To the extent that there is not money available for payment of principal and interest on the bonds in any of the funds shown above, the payments would be made out of the general revenue fund. The debt service payments would continue until 30 years after the last bond issuance.

No fiscal implication to units of local government is anticipated.

The cost of publication of the resolution to the State is \$60,000.

Source: General Land Office and Veterans' Land Board, Comptroller of Public Accounts,
State Bond Review Board;
LBB Staff: JO, JWH, EC, KNW, JOL

HOUSE COMMITTEE REPORT

1st Printing

93 MAY -6 AM 12: 15
HOUSE OF REPRESENTATIVES

By: Turner
(Counts)

S.J.R. No. 34

SENATE JOINT RESOLUTION

1 proposing a constitutional amendment relating to bonds issued to
2 augment the Veterans' Land Fund and the Veterans' Housing
3 Assistance Fund, to fund the Veterans' Housing Assistance Fund II,
4 and to provide financial assistance to veterans of the state.

5 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Article III of the Texas Constitution is amended
7 by adding Section 49-b-2 to read as follows:

8 Sec. 49-b-2. (a) In addition to the general obligation
9 bonds authorized to be issued and to be sold by the Veterans' Land
10 Board by Sections 49-b and 49-b-1 of this article, the Veterans'
11 Land Board may provide for, issue, and sell general obligation
12 bonds of the state in an amount not to exceed \$750 million, to
13 provide financing to veterans of the state in recognition of their
14 service to their state and the United States of America.

15 (b) Two hundred fifty million dollars of the general
16 obligation bonds authorized by this section shall be used to
17 augment the Veterans' Land Fund. Notwithstanding any provision of
18 Section 49-b or 49-b-1 of this article to the contrary, the
19 Veterans' Land Fund shall be used by the Veterans' Land Board to
20 purchase lands situated in the state owned by the United States
21 government, an agency of the United States government, this state,
22 a political subdivision or agency of this state, or a person, firm,
23 or corporation. Lands purchased and comprising a part of the
24 Veterans' Land Fund are declared to be held for a governmental

1 purpose, but the individual purchasers of those lands shall be
2 subject to taxation to the same extent and in the same manner as
3 are purchasers of lands dedicated to the Permanent Free Public
4 School Fund. The lands shall be sold to veterans in quantities, on
5 terms, at prices, and at fixed, variable, floating, or other rates
6 of interest, determined by the Board and in accordance with rules
7 of the Board. Notwithstanding any provisions of this section to
8 the contrary, lands in the Veterans' Land Fund that are offered for
9 sale to veterans and that are not sold may be sold or resold to the
10 purchasers in quantities, on terms, at prices, and at rates of
11 interest determined by the Board and in accordance with rules of
12 the Board. The expenses of the Board in connection with the
13 issuance of the bonds and the purchase and sale of the lands may be
14 paid from money in the Veterans' Land Fund.

15 (c) The Veterans' Land Fund shall consist of:

16 (1) lands heretofore or hereafter purchased by the
17 Board;

18 (2) money attributable to bonds heretofore or
19 hereafter issued and sold by the Board for the fund, including
20 proceeds from the issuance and sale of the bonds;

21 (3) money received from the sale or resale of lands or
22 rights in lands purchased from those proceeds;

23 (4) money received from the sale or resale of lands or
24 rights in lands purchased with other money attributable to the
25 bonds;

1 (5) proceeds derived from the sale or other
2 disposition of the Board's interest in contracts for the sale or
3 resale of lands or rights in lands;

4 (6) interest and penalties received from the sale or
5 resale of lands or rights in lands;

6 (7) bonuses, income, rents, royalties, and other
7 pecuniary benefits received by the Board from lands;

8 (8) money received by way of indemnity or forfeiture
9 for the failure of a bidder for the purchase of bonds to comply
10 with the bid and accept and pay for the bonds or for the failure of
11 a bidder for the purchase of lands comprising a part of the
12 Veterans' Land Fund to comply with the bid and accept and pay for
13 the lands;

14 (9) payments received by the Board under a bond
15 enhancement agreement with respect to the bonds; and

16 (10) interest received from investments of money in
17 the fund.

18 (d) The principal of and interest on the general obligation
19 bonds authorized by this section for the benefit of the Veterans'
20 Land Fund, including payments by the Board under a bond enhancement
21 agreement with respect to principal of or interest on the bonds,
22 shall be paid out of the money of the Veterans' Land Fund, but the
23 money in the fund that is not immediately committed to the payment
24 of principal and interest on the bonds, the purchase of lands, or
25 the payment of expenses may be invested as authorized by law until

1 the money is needed for those purposes.

2 (e) The Veterans' Housing Assistance Fund II is created, and
3 \$500 million of the general obligation bonds authorized by this
4 section shall be used for the Veterans' Housing Assistance Fund II.
5 The Veterans' Housing Assistance Fund II is a separate and distinct
6 fund from the Veterans' Housing Assistance Fund established under
7 Section 49-b-1 of this article. Money in the Veterans' Housing
8 Assistance Fund II shall be administered by the Veterans' Land
9 Board and shall be used to make home mortgage loans to veterans for
10 housing within this state in quantities, on terms, and at fixed,
11 variable, floating, or other rates of interest, determined by the
12 Board and in accordance with rules of the Board. The expenses of
13 the Board in connection with the issuance of the bonds and the
14 making of the loans may be paid from money in the Veterans' Housing
15 Assistance Fund II.

16 (f) The Veterans' Housing Assistance Fund II shall consist
17 of:

18 (1) the Board's interest in home mortgage loans the
19 Board makes to veterans from money in the fund under the Veterans'
20 Housing Assistance Program established by law;

21 (2) proceeds derived from the sale or other
22 disposition of the Board's interest in home mortgage loans;

23 (3) money attributable to bonds issued and sold by the
24 Board to provide money for the fund, including the proceeds from
25 the issuance and sale of bonds;

1 (4) income, rents, and other pecuniary benefits
2 received by the Board as a result of making loans;

3 (5) money received by way of indemnity or forfeiture
4 for the failure of a bidder for the purchase of bonds to comply
5 with the bid and accept and pay for the bonds;

6 (6) payments received by the Board under a bond
7 enhancement agreement with respect to the bonds; and

8 (7) interest received from investments of money.

9 (g) The principal of and interest on the general obligation
10 bonds authorized by this section for the benefit of the Veterans'
11 Housing Assistance Fund II, including payments by the Board under a
12 bond enhancement agreement with respect to principal of or interest
13 on the bonds, shall be paid out of the money of the Veterans'
14 Housing Assistance Fund II, but the money in the fund that is not
15 immediately committed to the payment of principal and interest on
16 the bonds, the making of home mortgage loans, or the payment of
17 expenses may be invested as authorized by law until the money is
18 needed for those purposes.

19 (h) Notwithstanding the provisions of Section 49-b-1 of this
20 article to the contrary, the Veterans' Housing Assistance Fund
21 shall consist of:

22 (1) the Board's interest in home mortgage loans the
23 Board makes to veterans from money in the fund under the Veterans'
24 Housing Assistance Program established by law;

25 (2) proceeds derived from the sale or other

1 disposition of the Board's interest in home mortgage loans;

2 (3) money attributable to bonds issued and sold by the
3 Board to provide money for the fund, including proceeds from the
4 issuance and sale of bonds;

5 (4) income, rents, and other pecuniary benefits
6 received by the Board as a result of making loans;

7 (5) money received by way of indemnity or forfeiture
8 for the failure of a bidder for the purchase of bonds to comply
9 with the bid and accept and pay for the bonds;

10 (6) payments received by the Board under a bond
11 enhancement agreement with respect to the bonds; and

12 (7) interest received from investments of money.

13 (i) The principal of and interest on the general obligation
14 bonds authorized by Section 49-b-1 of this article for the benefit
15 of the Veterans' Housing Assistance Fund, including payments by the
16 Board under a bond enhancement agreement with respect to principal
17 of or interest on the bonds, shall be paid out of money in the
18 Veterans' Housing Assistance Fund.

19 (j) If there is not enough money in the Veterans' Land Fund,
20 the Veterans' Housing Assistance Fund, or the Veterans' Housing
21 Assistance Fund II, as the case may be, available to pay the
22 principal of and interest on the general obligation bonds
23 authorized by this section or by Section 49-b or 49-b-1 of this
24 article, including money to make payments by the Board under a bond
25 enhancement agreement with respect to principal of or interest on

1 the bonds, there is appropriated out of the first money coming into
2 the treasury in each fiscal year, not otherwise appropriated by
3 this constitution, an amount that is sufficient to pay the
4 principal of and interest on the general obligation bonds that
5 mature or become due during that fiscal year or to make bond
6 enhancement payments with respect to those bonds.

7 (k) Notwithstanding any provisions of Section 49-b or 49-b-1
8 of this article to the contrary, receipts of all kinds of the
9 Veterans' Land Fund, the Veterans' Housing Assistance Fund, or the
10 Veterans' Housing Assistance Fund II that the Board determines are
11 not required for the payment of principal of and interest on the
12 general obligation bonds, including payments by the Board under a
13 bond enhancement agreement with respect to principal of or interest
14 on the bonds, authorized by this section or by Section 49-b or
15 49-b-1 of this article or otherwise authorized by this constitution
16 to be issued by the Board to provide money for the fund, may be
17 used by the Board, to the extent not inconsistent with the
18 proceedings authorizing the bonds to:

19 (1) make temporary transfers to another of those funds
20 to avoid a temporary cash deficiency in that fund or make a
21 transfer to another of those funds for the purposes of that fund;

22 (2) pay the principal of and interest on general
23 obligation bonds issued to provide money for another of those funds
24 or make bond enhancement payments with respect to the bonds; or

25 (3) pay the principal of and interest on revenue bonds

1 of the Board or make bond enhancement payments with respect to the
2 bonds if the bonds are issued to provide funds to purchase lands
3 and sell lands to veterans or make home mortgage loans to veterans.

4 (1) If the Board determines that assets from the Veterans'
5 Land Fund, the Veterans' Housing Assistance Fund, or the Veterans'
6 Housing Assistance Fund II are not required for the purposes of the
7 fund, the Board may transfer the assets to another of those funds
8 or use the assets to secure revenue bonds issued by the Board under
9 this section.

10 (m) The revenue bonds shall be special obligations of the
11 Board and payable only from and secured only by receipts of the
12 funds, assets transferred from the funds, and other revenues and
13 assets as determined by the Board and shall not constitute
14 indebtedness of the state or the Veterans' Land Board. The Board
15 may issue revenue bonds from time to time, which bonds may not
16 exceed an aggregate principal amount that the Board determines can
17 be fully retired from the receipts of the funds, the assets
18 transferred from the funds, and the other revenues and assets
19 pledged to the retirement of the revenue bonds. The revenue bonds
20 shall be issued and sold in forms and denominations, in the manner,
21 on terms, at times and places, and in installments the Board
22 determines. Notwithstanding the rate of interest specified by any
23 other provision of this constitution, the revenue bonds shall bear
24 a rate or rates of interest the Board determines. A determination
25 made by the Board under this subsection shall be binding and

1 conclusive as to the matter determined.

2 (n) Notwithstanding any provisions of Section 49-b or 49-b-1
3 of this article to the contrary, the bonds authorized to be issued
4 and sold by the Veterans' Land Board by this section or by Sections
5 49-b and 49-b-1 of this article shall be issued and sold in forms
6 and denominations, on terms, at times, in the manner, at places,
7 and in installments the Board determines. The bonds shall bear a
8 rate or rates of interest the Board determines. The bonds shall be
9 incontestable after execution by the Board, approval by the
10 Attorney General of Texas, and delivery to the purchaser or
11 purchasers of the bonds.

12 (o) This Amendment being intended only to establish a basic
13 framework and not to be a comprehensive treatment of the Veterans'
14 Housing Assistance Program and the Veterans' Land Program, there is
15 hereby reposed in the Legislature full power to implement and
16 effectuate the design and objects of this Amendment, including the
17 power to delegate such duties, responsibilities, functions, and
18 authority to the Veterans' Land Board as it believes necessary.

19 (p) In this section, "veteran" has the meaning assigned by
20 Section 49-b-1 of this article.

21 SECTION 2. This proposed constitutional amendment shall be
22 submitted to the voters at an election to be held November 2, 1993.
23 The ballot shall be printed to provide for voting for or against
24 the proposition: "The constitutional amendment authorizing
25 issuance of \$750 million in general obligation bonds to augment the

COMMITTEE REPORT

The Honorable Pete Laney
Speaker of the House of Representatives

05/05/93
(date)

Sir:

We, your COMMITTEE ON ENERGY RESOURCES
to whom was referred S.J.R. 34 have had the same under consideration and beg to report
(measure)

back with the recommendation that it

☒ do pass, without amendment.
☐ do pass, with amendment(s).
☐ do pass and be not printed; a Complete Committee Substitute is recommended in lieu of the original measure.

A fiscal note was requested. ☐ yes ☒ no An author's fiscal statement was requested. ☐ yes ☒ no

A criminal justice policy impact statement was requested. ☐ yes ☒ no

An equalized educational funding impact statement was requested. ☐ yes ☒ no

An actuarial impact statement was requested. ☐ yes ☒ no

A water development policy impact statement was requested. ☐ yes ☒ no

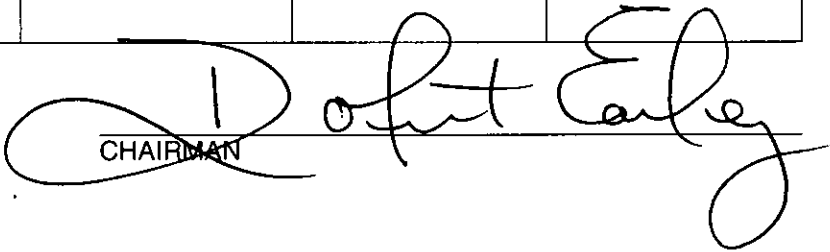
☐ The Committee recommends that this measure be sent to the Committee on Local and Consent Calendars.

House Sponsor of Senate Measure Rep. Counts

The measure was reported from Committee by the following vote:

	AYE	NAY	PNV	ABSENT
Earley, Ch.	X			
Holzheuser, V.C.	X			
Cook	X			
Culberson				X
Driver	X			
Dutton				X
Kuempel				X
Ramsay	X			
Raymond	X			
Tallas	X			
West	X			

Total 8 aye
 0 nay
 0 present, not voting
 3 absent


CHAIRMAN

BILL ANALYSIS

S.J.R. 34
By: Turner/Counts

Energy Resources Committee

BACKGROUND

Article III, Sections 49-b and 49b-1 of the Texas Constitution authorize the Veterans' Land Board (board) to establish a Veterans' Land Program and a Veterans' Housing Assistance Program to provide financial assistance to veterans. Under these constitutional provisions, the board is authorized to issue general obligation bonds to augment the Veterans' Land Fund and the Veterans' Housing Assistance Fund, which are to be used by the board for purchasing Texas lands for resale to veterans and for making mortgage loans to veterans for housing. In addition, these constitutional provisions authorize the board to issue revenue bonds payable from money in either fund which the board determines is not required to pay principal and interest on all general obligation bonds issued to augment such funds.

PURPOSE

As proposed, S.J.R. 34 requires the submission to the voters of a constitutional amendment to authorize the Veterans' Land Board to issue \$750 million in general obligation bonds and authorizes the board to make certain transfers between those funds under the board's control.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article III, Texas Constitution, by adding Section 49-b-2, as follows:

Sec. 49-b-2. (a) Authorizes the Veterans' Land Fund, in addition to authorized general obligation bonds, to provide for, issue, and sell not to exceed \$750 million in general obligation bonds at any time outstanding to provide financing to veterans.

(b) Requires \$250 million of the general obligation bonds to be used to augment the Veterans' Land Fund. Sets forth guidelines for the use of the money generated by the bonds.

(c) Sets forth the components of the Veterans' Land Fund.

(d) Requires the principal of and interest on the general obligation bonds authorized for the benefit of the Veterans' Land Fund to be paid out of the money of the Veterans' Land Fund, but authorizes the money in the fund that is not immediately committed to the payment of principal and interest on the bonds, the purchase of lands, or the payment of expenses to be invested as authorized by law until the money is needed for those purposes.

(e) Creates the Veterans' Housing Assistance Fund II, and requires \$500 million of the general obligation bonds authorized by this section to be used for the fund.

(f) Sets forth guidelines for the composition and use of the Veterans' Housing Assistance Fund II.

(g) Requires the principal and interest on the general obligation bonds authorized for the benefit of the Veterans' Housing Assistance Fund II to be paid out of the money

of the Veterans' Housing Assistance Fund II, but authorizes the money in the fund that is not immediately committed to the payment of principal and interest on the bonds, the purchase of lands, or the payment of expenses to be invested as authorized by law until the money is needed for those purposes.'

(h) Sets forth the composition of the Veterans' Housing Assistance Fund.

(i) Requires the principal and interest on the general obligation bonds authorized for the benefit of the Veterans' Housing Assistance Fund to be paid out of the money of the Veterans' Housing Assistance Fund.

(j) Appropriates the first money coming into the treasury in each fiscal year not otherwise appropriated out of the constitution an amount which is sufficient to pay the principal of and interest on the general obligation bonds that mature or become due during the fiscal year.

(k) Authorizes the funds from the Veterans' Land Fund, the Veterans' Housing Assistance Fund, or the Veterans' Housing Assistance Fund II not required for the payment of principal and interest on general obligation bonds to be used by the board to make temporary transfers to another fund to avoid a temporary cash deficiency, and to pay the principal and interest on general obligation or revenue bonds. Authorizes the board to transfer any assets from the Veterans' Land Fund, the Veterans' Housing Assistance Fund, or the Veterans' Housing Assistance Fund II not required for the purposes of those funds to any other fund to secure revenue bonds issued by the board.

(l) Authorizes the board, if the board determines that assets from the Veterans' Land Fund, the Veterans' Housing Assistance Fund, or the Veterans' Housing Assistance Fund II are not required for the purposes of the fund, to transfer the assets to another of those funds or use the assets to secure revenue bonds issued by the board under this section.

(m) Requires the revenue bonds to be special obligation bonds of the board and payable only from and secured only by receipts of the assets transferred from the funds and other revenues and assets as determined by the board and shall not constitute indebtedness of the state or the board. Authorizes the board to issue revenue bonds which are prohibited from exceeding an aggregate principal amount determined by the board. Requires the revenue bonds to be issued and sold as determined by the board. Requires the revenue bonds to bear a rate or rates of interest as the board determines. Requires a determination made by the board under this subsection to be binding and conclusive as to the matter determined.

(n) Requires the bonds authorized to be issued and sold by the board to be issued as determined by the board. Requires all bonds to be incontestable after execution by the board, approval by the attorney general, and delivery to the purchaser or purchasers.

(o) Provides that this amendment being intended only to establish a basic framework and not to be a comprehensive treatment if the Veterans' Housing Assistance Program and the Veterans' Land Program, there is reposed in the legislature full power to implement and effectuate the design and objects of this amendment.

(p) Defines "veteran."

SECTION 2. Requires this proposed constitutional amendment to be submitted to the voters at an election on November 2, 1993. Sets forth the required language for the ballot.

SUMMARY OF COMMITTEE ACTION

Pursuant to an announcement on the floor of the House, in accordance with House rules, the Energy Resources Committee met in a public hearing on May 5, 1993 to consider S.J.R. 34 by Turner(Counts) and was called to order by the Chair, Rep. Earley. The Chair laid out S.J.R. 34, companion bill to H.J.R. 75 by Counts which was reported favorably from committee, and explained the bill for the House sponsor, Rep. Counts. There was no testimony for, against, or on the bill. The Chair moved to report S.J.R. 34 favorably to the full House with the recommendation that it do pass, without amendment, and be printed. The motion prevailed by the following record vote: 8 Ayes, 0 Nays, 0 PNV, 3 Absent.

LEGISLATIVE BUDGET BOARD

Austin, Texas

**FISCAL NOTE
73rd Regular Session**

April 19, 1993

TO: Honorable John Montford, Chair
Committee on Finance
Senate Chamber
Austin, Texas

IN RE: Committee Substitute for
Senate Joint Resolution
No. 34

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Committee Substitute for Senate Joint Resolution 34 (proposing a constitutional amendment relating to bonds issued to augment the Veterans' Land Fund and the Veterans' Housing Assistance Fund, and to fund the Veterans' Housing Assistance Fund II and to provide financial assistance to veterans of the state) this office has determined the following:

The resolution would authorize an additional \$750 million in general obligation bonds to be outstanding at any time to provide for the veterans programs administered by the Veterans Land Board (VLB). Of this amount, \$250 million would be authorized to be used to augment the Veterans' Land Program and \$500 million would be used for the Veterans' Housing Assistance Program. The Veterans' Housing Assistance Fund II would be created to be used in connection with the administration of the housing assistance program. The resolution would also authorize the VLB to issue revenue bonds and transfer money or assets from constitutionally created funds to other such funds or to secure revenue bonds issued under this act.

The proposed resolution would be submitted to the voters at an election to be held November 2, 1993. Enabling legislation would be necessary to establish the program and to provide for the issuance of the general obligation bonds authorized by this resolution.

Since the bonds are intended to be self-supporting, any costs associated with the issuance and administering of the bonds, as well as principal and interest costs would be paid from the three funds, the Veterans' Land Fund, the Veteran's Housing Assistance Fund, and the Veterans' Housing Assistance Fund II. These funds would consist of the lands and home mortgage loans held by the board, money attributable to any bonds issued and sold, proceeds derived from the sale of land or other interests, and the interest received from the investment of the moneys in the funds.

The estimated debt service costs shown below are based on the assumptions that, beginning in 1994, \$125 million in bonds would be issued annually for the Housing Assistance Program, and \$35 million in bonds would be issued for the Land Program; the Board would issue \$160 million in bonds each of the first four years and the remaining \$110 million in the fifth year, all at a 6.5 percent interest rate for 30 years with semi-annual interest payments. The estimate assumes one interest payment in the year of issuance.

The estimate addresses only the issuance of general obligation debt for the Veterans' Land and Housing Assistance Programs. The resolution does not provide information regarding the amount of revenue bonds that would be issued, therefore, the estimate does not include debt service for revenue bonds.

The probable cost of implementing the provisions of the resolution for general obligation bonds during each of the first five years following passage is estimated as follows:

Fiscal Year	Probable Maximum Debt Service Cost out of the Veterans' Land Fund, the Veterans' Housing Assistance Fund, and the Veterans' Housing Assistance Fund II on General Obligation Bonds
1994	\$6,095,000
1995	18,285,000
1996	30,475,000
1997	42,658,000
1998	52,950,000

To the extent that there is not money available for payment of principal and interest on the bonds in any of the funds shown above, the payments would be made out of the general revenue fund. The debt service payments would continue until 30 years after the last bond issuance.

No fiscal implication to units of local government is anticipated.

The cost of publication of the resolution to the State is \$60,000.

Source: General Land Office and Veterans' Land Board, Comptroller of Public Accounts,
State Bond Review Board;
LBB Staff: JO, JWH, EC, KNW, JOL

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

73rd Regular Session

April 2, 1993

TO: Honorable John Montford, Chair
Committee on Finance
Senate Chamber
Austin, Texas

IN RE: Senate Joint Resolution
No. 34
By: Turner

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Joint Resolution No. 34 (proposing a constitutional amendment relating to bonds issued to augment the Veterans' Land Fund and the Veterans' Housing Assistance Fund and to create and fund the Veterans' Housing Assistance Fund II) this office has determined the following:

The resolution would authorize an additional \$750 million in general obligation bonds to be outstanding at any time to provide for the veterans programs administered by the Veterans Land Board (VLB). Of this amount, \$250 million would be authorized to be used to augment the Veterans' Land Program and \$500 million would be used for the Veterans' Housing Assistance Program. The Veterans' Housing Assistance Fund II would be created to be used in connection with the administration of the housing assistance program. The resolution would also authorize the VLB to issue revenue bonds and transfer money or assets from constitutionally created funds to other such funds or to secure revenue bonds issued under this act.

Since the bonds are intended to be self-supporting, any costs associated with the issuance and administering of the bonds, as well as principal and interest costs would be paid from the three funds, the Veterans' Land Fund, the Veteran's Housing Assistance Fund, and the Veterans' Housing Assistance Fund II. These funds would consist of the lands and home mortgage loans held by the board, money attributable to any bonds issued and sold, proceeds derived from the sale of land or other interests, and the interest received from the investment of the moneys in the funds. The estimated debt service costs shown below are based on the assumptions that, beginning in 1994, \$100 million in bonds would be issued annually for the Housing Assistance Program, \$40 million in bonds would be issued for the Land Program, and the bonds would be repaid with equal debt service payments over a 30-year period, with no principal paid in the year the bonds are issued. Since the bill does not provide information on the amount of revenue bonds to be issued, no debt service cost estimates can be made for these bonds. ✓

The probable cost of implementing the provisions of the bill during each of the first five years following passage is estimated as follows:

Fiscal Year	Probable Debt Service Cost out of the Veterans' Land Fund, the Veterans' Housing Assistance Fund, and the Veterans' Housing Assistance Fund II
1994	\$4,550,000
1995	15,270,000
1996	25,990,000
1997	36,710,000
1998	47,430,000

To the extent that there is not money available for payment of principal and interest on the bonds in any of the funds shown above, the payments would be made out of the general revenue fund. The debt service payments would continue until 30 years after the last bond issuance.

No fiscal implication to units of local government is anticipated.

The cost of publication of the resolution to the State is \$60,000.

Source: General Land Office and Veterans' Land Board, Comptroller of Public Accounts,
State Bond Review Board;
LBB Staff: JO, JWH, EC, KNW, JOL

May 12, 1993
Patsy Law
Enrolling Clerk

S.J.R. No. 34

SENATE JOINT RESOLUTION

proposing a constitutional amendment relating to bonds issued to augment the Veterans' Land Fund and the Veterans' Housing Assistance Fund, to fund the Veterans' Housing Assistance Fund II, and to provide financial assistance to veterans of the state.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Article III of the Texas Constitution is amended by adding Section 49-b-2 to read as follows:

Sec. 49-b-2. (a) In addition to the general obligation bonds authorized to be issued and to be sold by the Veterans' Land Board by Sections 49-b and 49-b-1 of this article, the Veterans' Land Board may provide for, issue, and sell general obligation bonds of the state in an amount not to exceed \$750 million, to provide financing to veterans of the state in recognition of their service to their state and the United States of America.

(b) Two hundred fifty million dollars of the general obligation bonds authorized by this section shall be used to augment the Veterans' Land Fund. Notwithstanding any provision of Section 49-b or 49-b-1 of this article to the contrary, the Veterans' Land Fund shall be used by the Veterans' Land Board to purchase lands situated in the state owned by the United States government, an agency of the United States government, this state, a political subdivision or agency of this state, or a person, firm, or corporation. Lands purchased and comprising a part of the Veterans' Land Fund are declared to be held for a governmental

1 purpose, but the individual purchasers of those lands shall be
 2 subject to taxation to the same extent and in the same manner as
 3 are purchasers of lands dedicated to the Permanent Free Public
 4 School Fund. The lands shall be sold to veterans in quantities, on
 5 terms, at prices, and at fixed, variable, floating, or other rates
 6 of interest, determined by the Board and in accordance with rules
 7 of the Board. Notwithstanding any provisions of this section to
 8 the contrary, lands in the Veterans' Land Fund that are offered for
 9 sale to veterans and that are not sold may be sold or resold to the
 10 purchasers in quantities, on terms, at prices, and at rates of
 11 interest determined by the Board and in accordance with rules of
 12 the Board. The expenses of the Board in connection with the
 13 issuance of the bonds and the purchase and sale of the lands may be
 14 paid from money in the Veterans' Land Fund.

15 (c) The Veterans' Land Fund shall consist of:

- 16 (1) lands heretofore or hereafter purchased by the
 17 Board;
- 18 (2) money attributable to bonds heretofore or
 19 hereafter issued and sold by the Board for the fund, including
 20 proceeds from the issuance and sale of the bonds;
- 21 (3) money received from the sale or resale of lands or
 22 rights in lands purchased from those proceeds;
- 23 (4) money received from the sale or resale of lands or
 24 rights in lands purchased with other money attributable to the
 25 bonds;

1 (5) proceeds derived from the sale or other
2 disposition of the Board's interest in contracts for the sale or
3 resale of lands or rights in lands;

4 (6) interest and penalties received from the sale or
5 resale of lands or rights in lands;

6 (7) bonuses, income, rents, royalties, and other
7 pecuniary benefits received by the Board from lands;

8 (8) money received by way of indemnity or forfeiture
9 for the failure of a bidder for the purchase of bonds to comply
10 with the bid and accept and pay for the bonds or for the failure of
11 a bidder for the purchase of lands comprising a part of the
12 Veterans' Land Fund to comply with the bid and accept and pay for
13 the lands;

14 (9) payments received by the Board under a bond
15 enhancement agreement with respect to the bonds; and

16 (10) interest received from investments of money in
17 the fund.

18 (d) The principal of and interest on the general obligation
19 bonds authorized by this section for the benefit of the Veterans'
20 Land Fund, including payments by the Board under a bond enhancement
21 agreement with respect to principal of or interest on the bonds,
22 shall be paid out of the money of the Veterans' Land Fund, but the
23 money in the fund that is not immediately committed to the payment
24 of principal and interest on the bonds, the purchase of lands, or
25 the payment of expenses may be invested as authorized by law until

1 the money is needed for those purposes.

2 (e) The Veterans' Housing Assistance Fund II is created, and
3 \$500 million of the general obligation bonds authorized by this
4 section shall be used for the Veterans' Housing Assistance Fund II.
5 The Veterans' Housing Assistance Fund II is a separate and distinct
6 fund from the Veterans' Housing Assistance Fund established under
7 Section 49-b-1 of this article. Money in the Veterans' Housing
8 Assistance Fund II shall be administered by the Veterans' Land
9 Board and shall be used to make home mortgage loans to veterans for
10 housing within this state in quantities, on terms, and at fixed,
11 variable, floating, or other rates of interest, determined by the
12 Board and in accordance with rules of the Board. The expenses of
13 the Board in connection with the issuance of the bonds and the
14 making of the loans may be paid from money in the Veterans' Housing
15 Assistance Fund II.

16 (f) The Veterans' Housing Assistance Fund II shall consist
17 of:

18 (1) the Board's interest in home mortgage loans the
19 Board makes to veterans from money in the fund under the Veterans'
20 Housing Assistance Program established by law;

21 (2) proceeds derived from the sale or other
22 disposition of the Board's interest in home mortgage loans;

23 (3) money attributable to bonds issued and sold by the
24 Board to provide money for the fund, including the proceeds from
25 the issuance and sale of bonds;

1 (4) income, rents, and other pecuniary benefits
2 received by the Board as a result of making loans;

3 (5) money received by way of indemnity or forfeiture
4 for the failure of a bidder for the purchase of bonds to comply
5 with the bid and accept and pay for the bonds;

6 (6) payments received by the Board under a bond
7 enhancement agreement with respect to the bonds; and

8 (7) interest received from investments of money.

9 (g) The principal of and interest on the general obligation
10 bonds authorized by this section for the benefit of the Veterans'
11 Housing Assistance Fund II, including payments by the Board under a
12 bond enhancement agreement with respect to principal of or interest
13 on the bonds, shall be paid out of the money of the Veterans'
14 Housing Assistance Fund II, but the money in the fund that is not
15 immediately committed to the payment of principal and interest on
16 the bonds, the making of home mortgage loans, or the payment of
17 expenses may be invested as authorized by law until the money is
18 needed for those purposes.

19 (h) Notwithstanding the provisions of Section 49-b-1 of this
20 article to the contrary, the Veterans' Housing Assistance Fund
21 shall consist of:

22 (1) the Board's interest in home mortgage loans the
23 Board makes to veterans from money in the fund under the Veterans'
24 Housing Assistance Program established by law;

25 (2) proceeds derived from the sale or other

1 disposition of the Board's interest in home mortgage loans;

2 (3) money attributable to bonds issued and sold by the
3 Board to provide money for the fund, including proceeds from the
4 issuance and sale of bonds;

5 (4) income, rents, and other pecuniary benefits
6 received by the Board as a result of making loans;

7 (5) money received by way of indemnity or forfeiture
8 for the failure of a bidder for the purchase of bonds to comply
9 with the bid and accept and pay for the bonds;

10 (6) payments received by the Board under a bond
11 enhancement agreement with respect to the bonds; and

12 (7) interest received from investments of money.

13 (i) The principal of and interest on the general obligation
14 bonds authorized by Section 49-b-1 of this article for the benefit
15 of the Veterans' Housing Assistance Fund, including payments by the
16 Board under a bond enhancement agreement with respect to principal
17 of or interest on the bonds, shall be paid out of money in the
18 Veterans' Housing Assistance Fund.

19 (j) If there is not enough money in the Veterans' Land Fund,
20 the Veterans' Housing Assistance Fund, or the Veterans' Housing
21 Assistance Fund II, as the case may be, available to pay the
22 principal of and interest on the general obligation bonds
23 authorized by this section or by Section 49-b or 49-b-1 of this
24 article, including money to make payments by the Board under a bond
25 enhancement agreement with respect to principal of or interest on

the bonds, there is appropriated out of the first money coming into the treasury in each fiscal year, not otherwise appropriated by this constitution, an amount that is sufficient to pay the principal of and interest on the general obligation bonds that mature or become due during that fiscal year or to make bond enhancement payments with respect to those bonds.

(k) Notwithstanding any provisions of Section 49-b or 49-b-1 of this article to the contrary, receipts of all kinds of the Veterans' Land Fund, the Veterans' Housing Assistance Fund, or the Veterans' Housing Assistance Fund II that the Board determines are not required for the payment of principal of and interest on the general obligation bonds, including payments by the Board under a bond enhancement agreement with respect to principal of or interest on the bonds, authorized by this section or by Section 49-b or 49-b-1 of this article or otherwise authorized by this constitution to be issued by the Board to provide money for the fund, may be used by the Board, to the extent not inconsistent with the proceedings authorizing the bonds to:

(1) make temporary transfers to another of those funds to avoid a temporary cash deficiency in that fund or make a transfer to another of those funds for the purposes of that fund;

(2) pay the principal of and interest on general obligation bonds issued to provide money for another of those funds or make bond enhancement payments with respect to the bonds; or

(3) pay the principal of and interest on revenue bonds

S.J.R. No. 34

1 of the Board or make bond enhancement payments with respect to the
2 bonds if the bonds are issued to provide funds to purchase lands
3 and sell lands to veterans or make home mortgage loans to veterans.

4 (1) If the Board determines that assets from the Veterans'
5 Land Fund, the Veterans' Housing Assistance Fund, or the Veterans'
6 Housing Assistance Fund II are not required for the purposes of the
7 fund, the Board may transfer the assets to another of those funds
8 or use the assets to secure revenue bonds issued by the Board under
9 this section.

10 (m) The revenue bonds shall be special obligations of the
11 Board and payable only from and secured only by receipts of the
12 funds, assets transferred from the funds, and other revenues and
13 assets as determined by the Board and shall not constitute
14 indebtedness of the state or the Veterans' Land Board. The Board
15 may issue revenue bonds from time to time, which bonds may not
16 exceed an aggregate principal amount that the Board determines can
17 be fully retired from the receipts of the funds, the assets
18 transferred from the funds, and the other revenues and assets
19 pledged to the retirement of the revenue bonds. The revenue bonds
20 shall be issued and sold in forms and denominations, in the manner,
21 on terms, at times and places, and in installments the Board
22 determines. Notwithstanding the rate of interest specified by any
23 other provision of this constitution, the revenue bonds shall bear
24 a rate or rates of interest the Board determines. A determination
25 made by the Board under this subsection shall be binding and

conclusive as to the matter determined.

(n) Notwithstanding any provisions of Section 49-b or 49-b-1 of this article to the contrary, the bonds authorized to be issued and sold by the Veterans' Land Board by this section or by Sections 49-b and 49-b-1 of this article shall be issued and sold in forms and denominations, on terms, at times, in the manner, at places, and in installments the Board determines. The bonds shall bear a rate or rates of interest the Board determines. The bonds shall be incontestable after execution by the Board, approval by the Attorney General of Texas, and delivery to the purchaser or purchasers of the bonds.

(o) This Amendment being intended only to establish a basic framework and not to be a comprehensive treatment of the Veterans' Housing Assistance Program and the Veterans' Land Program, there is hereby reposed in the Legislature full power to implement and effectuate the design and objects of this Amendment, including the power to delegate such duties, responsibilities, functions, and authority to the Veterans' Land Board as it believes necessary.

(p) In this section, "veteran" has the meaning assigned by Section 49-b-1 of this article.

SECTION 2. This proposed constitutional amendment shall be submitted to the voters at an election to be held November 2, 1993. The ballot shall be printed to provide for voting for or against the proposition: "The constitutional amendment authorizing issuance of \$750 million in general obligation bonds to augment the

S.J.R. No. 34

- 1 Veterans' Land Fund and the Veterans' Housing Assistance Fund and
- 2 to fund the Veterans' Housing Assistance Fund II."

President of the Senate

Speaker of the House

I hereby certify that S.J.R. No. 34 was adopted by the Senate on April 19, 1993, by the following vote: Yeas 29, Nays 0.

Secretary of the Senate

I hereby certify that S.J.R. No. 34 was adopted by the House on May 11, 1993, by the following vote: Yeas 136, Nays 0, one present not voting.

Chief Clerk of the House

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE
73rd Regular Session

April 19, 1993

TO: Honorable John Montford, Chair
Committee on Finance
Senate Chamber
Austin, Texas

IN RE: Committee Substitute for
Senate Joint Resolution
No. 34

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Committee Substitute for Senate Joint Resolution 34 (proposing a constitutional amendment relating to bonds issued to augment the Veterans' Land Fund and the Veterans' Housing Assistance Fund, and to fund the Veterans' Housing Assistance Fund II and to provide financial assistance to veterans of the state) this office has determined the following:

The resolution would authorize an additional \$750 million in general obligation bonds to be outstanding at any time to provide for the veterans programs administered by the Veterans Land Board (VLB). Of this amount, \$250 million would be authorized to be used to augment the Veterans' Land Program and \$500 million would be used for the Veterans' Housing Assistance Program. The Veterans' Housing Assistance Fund II would be created to be used in connection with the administration of the housing assistance program. The resolution would also authorize the VLB to issue revenue bonds and transfer money or assets from constitutionally created funds to other such funds or to secure revenue bonds issued under this act.

The proposed resolution would be submitted to the voters at an election to be held November 2, 1993. Enabling legislation would be necessary to establish the program and to provide for the issuance of the general obligation bonds authorized by this resolution.

Since the bonds are intended to be self-supporting, any costs associated with the issuance and administering of the bonds, as well as principal and interest costs would be paid from the three funds, the Veterans' Land Fund, the Veteran's Housing Assistance Fund, and the Veterans' Housing Assistance Fund II. These funds would consist of the lands and home mortgage loans held by the board, money attributable to any bonds issued and sold, proceeds derived from the sale of land or other interests, and the interest received from the investment of the moneys in the funds.

The estimated debt service costs shown below are based on the assumptions that, beginning in 1994, \$125 million in bonds would be issued annually for the Housing Assistance Program, and \$35 million in bonds would be issued for the Land Program; the Board would issue \$160 million in bonds each of the first four years and the remaining \$110 million in the fifth year, all at a 6.5 percent interest rate for 30 years with semi-annual interest payments. The estimate assumes one interest payment in the year of issuance.

The estimate addresses only the issuance of general obligation debt for the Veterans' Land and Housing Assistance Programs. The resolution does not provide information regarding the amount of revenue bonds that would be issued, therefore, the estimate does not include debt service for revenue bonds.

The probable cost of implementing the provisions of the resolution for general obligation bonds during each of the first five years following passage is estimated as follows:

Fiscal Year	Probable Maximum Debt Service Cost out of the Veterans' Land Fund, the Veterans' Housing Assistance Fund, and the Veterans' Housing Assistance Fund II on General Obligation Bonds
1994	\$6,095,000
1995	18,285,000
1996	30,475,000
1997	42,658,000
1998	52,950,000

To the extent that there is not money available for payment of principal and interest on the bonds in any of the funds shown above, the payments would be made out of the general revenue fund. The debt service payments would continue until 30 years after the last bond issuance.

No fiscal implication to units of local government is anticipated.

The cost of publication of the resolution to the State is \$60,000.

Source: General Land Office and Veterans' Land Board, Comptroller of Public Accounts,
State Bond Review Board;
LBB Staff: JO, JWH, EC, KNW, JOL

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

73rd Regular Session

April 2, 1993

TO: Honorable John Montford, Chair
Committee on Finance
Senate Chamber
Austin, Texas

IN RE: Senate Joint Resolution
No. 34
By: Turner

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Joint Resolution No. 34 (proposing a constitutional amendment relating to bonds issued to augment the Veterans' Land Fund and the Veterans' Housing Assistance Fund and to create and fund the Veterans' Housing Assistance Fund II) this office has determined the following:

The resolution would authorize an additional \$750 million in general obligation bonds to be outstanding at any time to provide for the veterans programs administered by the Veterans Land Board (VLB). Of this amount, \$250 million would be authorized to be used to augment the Veterans' Land Program and \$500 million would be used for the Veterans' Housing Assistance Program. The Veterans' Housing Assistance Fund II would be created to be used in connection with the administration of the housing assistance program. The resolution would also authorize the VLB to issue revenue bonds and transfer money or assets from constitutionally created funds to other such funds or to secure revenue bonds issued under this act.

Since the bonds are intended to be self-supporting, any costs associated with the issuance and administering of the bonds, as well as principal and interest costs would be paid from the three funds, the Veterans' Land Fund, the Veteran's Housing Assistance Fund, and the Veterans' Housing Assistance Fund II. These funds would consist of the lands and home mortgage loans held by the board, money attributable to any bonds issued and sold, proceeds derived from the sale of land or other interests, and the interest received from the investment of the moneys in the funds. The estimated debt service costs shown below are based on the assumptions that, beginning in 1994, \$100 million in bonds would be issued annually for the Housing Assistance Program, \$40 million in bonds would be issued for the Land Program, and the bonds would be repaid with equal debt service payments over a 30-year period, with no principal paid in the year the bonds are issued. Since the bill does not provide information on the amount of revenue bonds to be issued, no debt service cost estimates can be made for these bonds. ✓

The probable cost of implementing the provisions of the bill during each of the first five years following passage is estimated as follows:

Fiscal Year	Probable Debt Service Cost out of the Veterans' Land Fund, the Veterans' Housing Assistance Fund, and the Veterans' Housing Assistance Fund II
1994	\$4,550,000
1995	15,270,000
1996	25,990,000
1997	36,710,000
1998	47,430,000

To the extent that there is not money available for payment of principal and interest on the bonds in any of the funds shown above, the payments would be made out of the general revenue fund. The debt service payments would continue until 30 years after the last bond issuance.

No fiscal implication to units of local government is anticipated.

The cost of publication of the resolution to the State is \$60,000.

Source: General Land Office and Veterans' Land Board, Comptroller of Public Accounts,
State Bond Review Board;
LBB Staff: JO, JWH, EC, KNW, JOL

932
12

President of the Senate

Speaker of the House

I hereby certify that S.J.R. No. 34 was adopted by the Senate on April 19, 1993, by the following vote: Yeas 29, Nays 0.

Secretary of the Senate

I hereby certify that S.J.R. No. 34 was adopted by the House on May 11, 1993, by the following vote: Yeas 136, Nays 0, one present not voting.

Chief Clerk of the House

BILL ANALYSIS

Senate Research Center

S.J.R. 34
By: Turner
Finance
4-5-93
As Filed

BACKGROUND

Article III, Sections 49-b and 49b-1 of the Texas Constitution authorize the Veterans' Land Board (board) to establish a Veterans' Land Program and a Veterans' Housing Assistance Program to provide financial assistance to veterans. Under these constitutional provisions, the board is authorized to issue general obligation bonds to augment the Veterans' Land Fund and the Veterans' Housing Assistance Fund, which are to be used by the board for purchasing Texas lands for resale to veterans and for making mortgage loans to veterans for housing. In addition, these constitutional provisions authorize the board to issue revenue bonds payable from money in either fund which the board determines is not required to pay principal and interest on all general obligation bonds issued to augment such funds.

PURPOSE

As proposed, S.J.R. 34 requires the submission to the voters of a constitutional amendment to authorize the Veterans' Land Board to issue \$750 million in general obligation bonds and authorizes the board to make certain transfers between those funds under the board's control.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article III, Texas Constitution, by adding Section 49-b-2, as follows:

Sec. 49-b-2. Bonds issued to augment Veterans' Land Fund and Veterans' Housing Assistance Fund and for Veterans' Housing Assistance Fund II; appropriation when money in any fund not available. (a) Authorizes the Veterans' Land Fund, in addition to authorized general obligation bonds, to provide for, issue, and sell not to exceed \$750 million in general obligation bonds at any time outstanding to provide financing to veterans.

(b) Defines "veteran."

(c) Requires \$250 million of the general obligation bonds to be used to augment the Veterans' Land Fund. Sets forth guidelines for the use of the money generated by the bonds. Sets forth the components of the fund.

(d) Creates the Veterans' Housing Assistance Fund II, and requires \$500 million of the general obligation bonds authorized by this section to be used for the fund. Sets forth guidelines for the composition and use of the fund.

(e) Sets forth the composition and use of the Veterans' Housing Assistance Fund.

(f) Appropriates the first money coming into the treasury in each fiscal year not otherwise appropriated out of the constitution an amount which is sufficient to pay the principal of and interest on the general obligation bonds that mature or become due during the fiscal year.

(g) Authorizes the funds from the Veterans' Land Fund, the Veterans' Housing

Assistance Fund, or the Veterans' Housing Assistance Fund II not required for the payment of principal and interest on general obligation bonds to be used by the board to make temporary transfers to another fund to avoid a temporary cash deficiency, and to pay the principal and interest on general obligation or revenue bonds. Authorizes the board to transfer any assets from the Veterans' Land Fund, the Veterans' Housing Assistance Fund, or the Veterans' Housing Assistance Fund II not required for the purposes of those funds to any other fund to secure revenue bonds issued by the board. Requires the revenue bonds to be special obligation bonds of the board and payable only from and secured only by receipts of the assets transferred from the funds and other revenues and assets as determined by the board and shall not constitute indebtedness of the state or the board. Authorizes the board to issue revenue bonds which are prohibited from exceeding an aggregate principal amount determined by the board. Requires the revenue bonds to be issued and sold as determined by the board.

(h) Requires the bonds authorized to be issued and sold by the board to be issued as determined by the board. Requires all bonds to be incontestable after execution by the board, approval by the attorney general, and delivery to the purchaser or purchasers.

(i) Provides that this amendment being intended only to establish a basic framework and not to be a comprehensive treatment if the Veterans' Housing Assistance Program and the Veterans' Land Program, there is reposed in the legislature full power to implement and effectuate the design and objects of this amendment.

SECTION 2. Requires this proposed constitutional amendment to be submitted to the voters at an election on November 2, 1993. Sets forth the required language for the ballot.

BILL ANALYSIS

Senate Research Center

C.S.S.J.R. 34

By: Turner

Finance

4-16-93

Committee Substitute

BACKGROUND

Article III, Sections 49-b and 49b-1 of the Texas Constitution authorize the Veterans' Land Board (board) to establish a Veterans' Land Program and a Veterans' Housing Assistance Program to provide financial assistance to veterans. Under these constitutional provisions, the board is authorized to issue general obligation bonds to augment the Veterans' Land Fund and the Veterans' Housing Assistance Fund, which are to be used by the board for purchasing Texas lands for resale to veterans and for making mortgage loans to veterans for housing. In addition, these constitutional provisions authorize the board to issue revenue bonds payable from money in either fund which the board determines is not required to pay principal and interest on all general obligation bonds issued to augment such funds.

PURPOSE

As proposed, C.S.S.J.R. 34 requires the submission to the voters of a constitutional amendment to authorize the Veterans' Land Board to issue \$750 million in general obligation bonds and authorizes the board to make certain transfers between those funds under the board's control.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article III, Texas Constitution, by adding Section 49-b-2, as follows:

Sec. 49-b-2. (a) Authorizes the Veterans' Land Fund, in addition to authorized general obligation bonds, to provide for, issue, and sell not to exceed \$750 million in general obligation bonds at any time outstanding to provide financing to veterans.

(b) Requires \$250 million of the general obligation bonds to be used to augment the Veterans' Land Fund. Sets forth guidelines for the use of the money generated by the bonds.

(c) Sets forth the components of the Veterans' Land Fund.

(d) Requires the principal of and interest on the general obligation bonds authorized for the benefit of the Veterans' Land Fund to be paid out of the money of the Veterans' Land Fund, but authorizes the money in the fund that is not immediately committed to the payment of principal and interest on the bonds, the purchase of lands, or the payment of expenses to be invested as authorized by law until the money is needed for those purposes.

(e) Creates the Veterans' Housing Assistance Fund II, and requires \$500 million of the general obligation bonds authorized by this section to be used for the fund.

(f) Sets forth guidelines for the composition and use of the Veterans' Housing Assistance Fund II.

(g) Requires the principal and interest on the general obligation bonds authorized for the benefit of the Veterans' Housing Assistance Fund II to be paid out of the money

of the Veterans' Housing Assistance Fund II, but authorizes the money in the fund that is not immediately committed to the payment of principal and interest on the bonds, the purchase of lands, or the payment of expenses to be invested as authorized by law until the money is needed for those purposes.

(h) Sets forth the composition of the Veterans' Housing Assistance Fund.

(i) Requires the principal and interest on the general obligation bonds authorized for the benefit of the Veterans' Housing Assistance Fund to be paid out of the money of the Veterans' Housing Assistance Fund.

(j) Appropriates the first money coming into the treasury in each fiscal year not otherwise appropriated out of the constitution an amount which is sufficient to pay the principal of and interest on the general obligation bonds that mature or become due during the fiscal year.

(k) Authorizes the funds from the Veterans' Land Fund, the Veterans' Housing Assistance Fund, or the Veterans' Housing Assistance Fund II not required for the payment of principal and interest on general obligation bonds to be used by the board to make temporary transfers to another fund to avoid a temporary cash deficiency, and to pay the principal and interest on general obligation or revenue bonds. Authorizes the board to transfer any assets from the Veterans' Land Fund, the Veterans' Housing Assistance Fund, or the Veterans' Housing Assistance Fund II not required for the purposes of those funds to any other fund to secure revenue bonds issued by the board.

(l) Authorizes the board, if the board determines that assets from the Veterans' Land Fund, the Veterans' Housing Assistance Fund, or the Veterans' Housing Assistance Fund II are not required for the purposes of the fund, to transfer the assets to another of those funds or use the assets to secure revenue bonds issued by the board under this section.

(m) Requires the revenue bonds to be special obligation bonds of the board and payable only from and secured only by receipts of the assets transferred from the funds and other revenues and assets as determined by the board and shall not constitute indebtedness of the state or the board. Authorizes the board to issue revenue bonds which are prohibited from exceeding an aggregate principal amount determined by the board. Requires the revenue bonds to be issued and sold as determined by the board. Requires the revenue bonds to bear a rate or rates of interest as the board determines. Requires a determination made by the board under this subsection to be binding and conclusive as to the matter determined.

(n) Requires the bonds authorized to be issued and sold by the board to be issued as determined by the board. Requires all bonds to be incontestable after execution by the board, approval by the attorney general, and delivery to the purchaser or purchasers.

(o) Provides that this amendment being intended only to establish a basic framework and not to be a comprehensive treatment if the Veterans' Housing Assistance Program and the Veterans' Land Program, there is reposed in the legislature full power to implement and effectuate the design and objects of this amendment.

(p) Defines "veteran."

SECTION 2. Requires this proposed constitutional amendment to be submitted to the voters at an election on November 2, 1993. Sets forth the required language for the ballot.

BILL ANALYSIS

Senate Research Center

S.J.R. 34
By: Turner
Finance
6-16-93
Enrolled

BACKGROUND

Article III, Sections 49-b and 49b-1 of the Texas Constitution authorize the Veterans' Land Board (board) to establish a Veterans' Land Program and a Veterans' Housing Assistance Program to provide financial assistance to veterans. Under these constitutional provisions, the board is authorized to issue general obligation bonds to augment the Veterans' Land Fund and the Veterans' Housing Assistance Fund, which are to be used by the board for purchasing Texas lands for resale to veterans and for making mortgage loans to veterans for housing. In addition, these constitutional provisions authorize the board to issue revenue bonds payable from money in either fund which the board determines is not required to pay principal and interest on all general obligation bonds issued to augment such funds.

PURPOSE

As enrolled, S.J.R. 34 requires the submission to the voters of a constitutional amendment to authorize the Veterans' Land Board to issue \$750 million in general obligation bonds and authorizes the board to make certain transfers between those funds under the board's control.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article III, Texas Constitution, by adding Section 49-b-2, as follows:

Sec. 49-b-2. (a) Authorizes the Veterans' Land Fund, in addition to authorized general obligation bonds, to provide for, issue, and sell not to exceed \$750 million in general obligation bonds at any time outstanding to provide financing to veterans.

(b) Requires \$250 million of the general obligation bonds to be used to augment the Veterans' Land Fund. Sets forth guidelines for the use of the money generated by the bonds.

(c) Sets forth the components of the Veterans' Land Fund.

(d) Requires the principal of and interest on the general obligation bonds authorized for the benefit of the Veterans' Land Fund to be paid out of the money of the Veterans' Land Fund, but authorizes the money in the fund that is not immediately committed to the payment of principal and interest on the bonds, the purchase of lands, or the payment of expenses to be invested as authorized by law until the money is needed for those purposes.

(e) Creates the Veterans' Housing Assistance Fund II, and requires \$500 million of the general obligation bonds authorized by this section to be used for the fund.

(f) Sets forth guidelines for the composition and use of the Veterans' Housing Assistance Fund II.

(g) Requires the principal and interest on the general obligation bonds authorized for the benefit of the Veterans' Housing Assistance Fund II to be paid out of the money

of the Veterans' Housing Assistance Fund II, but authorizes the money in the fund that is not immediately committed to the payment of principal and interest on the bonds, the purchase of lands, or the payment of expenses to be invested as authorized by law until the money is needed for those purposes.

(h) Sets forth the composition of the Veterans' Housing Assistance Fund.

(i) Requires the principal and interest on the general obligation bonds authorized for the benefit of the Veterans' Housing Assistance Fund to be paid out of the money of the Veterans' Housing Assistance Fund.

(j) Appropriates the first money coming into the treasury in each fiscal year not otherwise appropriated out of the constitution an amount which is sufficient to pay the principal of and interest on the general obligation bonds that mature or become due during the fiscal year.

(k) Authorizes the funds from the Veterans' Land Fund, the Veterans' Housing Assistance Fund, or the Veterans' Housing Assistance Fund II not required for the payment of principal and interest on general obligation bonds to be used by the board to make temporary transfers to another fund to avoid a temporary cash deficiency, and to pay the principal and interest on general obligation or revenue bonds. Authorizes the board to transfer any assets from the Veterans' Land Fund, the Veterans' Housing Assistance Fund, or the Veterans' Housing Assistance Fund II not required for the purposes of those funds to any other fund to secure revenue bonds issued by the board.

(l) Authorizes the board, if the board determines that assets from the Veterans' Land Fund, the Veterans' Housing Assistance Fund, or the Veterans' Housing Assistance Fund II are not required for the purposes of the fund, to transfer the assets to another of those funds or use the assets to secure revenue bonds issued by the board under this section.

(m) Requires the revenue bonds to be special obligation bonds of the board and payable only from and secured only by receipts of the assets transferred from the funds and other revenues and assets as determined by the board and shall not constitute indebtedness of the state or the board. Authorizes the board to issue revenue bonds which are prohibited from exceeding an aggregate principal amount determined by the board. Requires the revenue bonds to be issued and sold as determined by the board. Requires the revenue bonds to bear a rate or rates of interest as the board determines. Requires a determination made by the board under this subsection to be binding and conclusive as to the matter determined.

(n) Requires the bonds authorized to be issued and sold by the board to be issued as determined by the board. Requires all bonds to be incontestable after execution by the board, approval by the attorney general, and delivery to the purchaser or purchasers.

(o) Provides that this amendment being intended only to establish a basic framework and not to be a comprehensive treatment of the Veterans' Housing Assistance Program and the Veterans' Land Program, there is reposed in the legislature full power to implement and effectuate the design and objects of this amendment.

(p) Defines "veteran."

SECTION 2. Requires this proposed constitutional amendment to be submitted to the voters at an election on November 2, 1993. Sets forth the required language for the ballot.

S.J.R. No.

34

By Turner

Proposing a constitutional amendment relating to bonds issued to augment the Veterans' Land Fund and the Veterans' Housing Assistance Fund and to create and fund the Veterans' Housing Assistance Fund II.

3-10-93

MAR 11 1993

Filed with the Secretary of the Senate

FINANCE

Read and referred to Committee on

Reported favorably

9-19-93

Reported adversely, with favorable Committee Substitute; Committee Substitute read first time.

Ordered not printed

Laid before the Senate

APR 19 1993

Senate and Constitutional Rules to permit consideration suspended by:

unanimous consent

years, nays

APR 19 1993

Read second time, , and ordered engrossed by:

unanimous consent
a viva voce vote

years, nays

APR 19 1993

Caption ordered amended to conform to the body of the bill.

Senate and Constitutional 3 Day Rule suspended by a vote of 29 yeas, 0 nays.

APR 19 1993

Read third time, , and passed by: 29 yeas, 0 nays

Betty King

SECRETARY OF THE SENATE

OTHER ACTION:

April 19, 1993
April 19, 1993

Engrossed

Sent to House

Engrossing Clerk

Larry Snow

APR 19 1993

Received from the Senate

APR 20 1993

Read first time and referred to Committee on

Emergency Resources

MAY 05 1993

Reported favorably amended, sent to Printer

6:35 pm MAY 05 1993

MAY 6 1993

Printed and Distributed

12:15 AM

5-6-93

Sent to Committee on Calendars

2:57 pm

MAY 11 1993

Read Second time (amended) and finally adopted
failed adoption by Record Vote of 136 yeas, 0 nays 1 present not voting.

Read third time (amended) and finally adopted
failed adoption by Record Vote of yeas, nays present not voting.

Caption ordered amended to conform to body of bill.

MAY 12 1993

Returned to Senate.

Betty Murray

CHIEF CLERK OF THE HOUSE

MAY 12 1993

Returned from House without amendment.

Returned from House with amendments.

Concurred in House amendments by a viva voce vote yeas, nays.

_____ Refused to concur in House amendments and requested the appointment of a Conference Committee to adjust the differences.

_____ Senate conferees instructed.

_____ Senate conferees appointed: _____, Chairman; _____, _____, and _____.

_____ House granted Senate request. House conferees appointed: _____, Chairman; _____, _____, _____.

_____ Conference Committee Report read and filed with the Secretary of the Senate.

_____ Conference Committee Report adopted on the part of the House by: _____.

{ a viva voce vote
_____ yeas, _____ nays

_____ Conference Committee Report adopted on the part of the Senate by: _____.

{ a viva voce vote
_____ yeas, _____ nays

OTHER ACTION:

_____ Recommitted to Conference Committee

_____ Conferees discharged.

_____ Conference Committee Report failed of adoption by: _____.

{ a viva voce vote
_____ yeas, _____ nays

93 MAY -6 AM 12: 15
HOUSE OF REPRESENTATIVES